D 8523 B

# **NEWS SUMMARY**

### GENERAL

Entra Villa

in the

# Belgium expels **Soviet** agents

Beigium said that two Soviet agents arrested over the weekend would The Government is considering

the position of a Soviet diplomat, said Justice Minister Jean Gol. The two did not have diplomatic immunity, but their protected status meant they could not be prosecuted in Belgium. Their expulsion means that six Soviet agents have been expelled within a year.

### New riots in India

New Hindu-Moslem riots broke out in India, around Bombay, and army reinforcements were rushed in. Premier Mrs Indira Gandhi visited the area by helicopter. The death toll is now 105. Page 5

### **Backing for Craxi**

Premier Bettino Craxi's Government won its second vote of confidence in three days in the Italian parliament, over the decree cutting wage indexation payments. Page 2

### French left boost

The Communist mayor of Thion-ville, in France's troubled eastern steel region was re-elected, giving a boost to the left. His party had fared badly in recent municipal polls. Page 2

### El Salvador accused

Amnesty International, the London-based human rights organisation, has accused El Salvador forces of the wholesale murder of civil-

### Intellectuals at risk

Ankara martial law authorities unched legal proceedings against 1,258 Turkish academics, lawyers, doctors, actors and intellectuals who had petitioned President Kenan Evren for more political liberalisation, and an end to torture and the death penalty. Each is to be

### Ariane's trade trip

Arianespace, set up to exploit the space rocket Ariane commercially, takes over from the European Space agency for Ariane's ninth launch, from French Guiana today. Spacelab icature, Page 4

### Hong Kong arrests

Hong Kong police arrested three Chinese and two Europeans, all unnamed, in connection with the failed property and shipping group

### Big drugs hauls

Tokye police arrested five people and seized 43kg (95lb) of amphetamines worth \$37m, smuggled from Taiwan. West German police seized 47kg of cocaine on a Colombian ship calling at Hamburg, and arrested seven Colombians.

### Vietnamese mistake

About 500 Vietnamese marines were mistakenly attacked by other Vietnamese forces in Kampuchea and suffered heavy casualties, said a Vietnamese guerrilla group.

### **Border tunnel found**

Israeli forces found a 60 metre tunnel running into Egypt from the de-sert border town of Rafah. It was believed to have been made by

### Top marriage guide

The publishers of Burke's Peerage, the reference book on the British nobility, plan to sell a marriage guide listing Britain's wealthiest and most eligible young people.

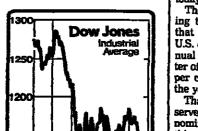
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### **BUSINESS**

# World airline profits 'too little'

WORLD AIRLINES, which had made a forecast of a \$750m loss this year, now expect to earn \$250m after interest. But International Air Transport Association director Knut Hammarskjold says this is too small to meet investment requirements. Page 29

WALL STREET: Dow Jones Industrial Average was 7.44 down at 1,126.35 at 3pm, on 1,130.85. Report,



DOLLAR eased on the day, to DM 2.757 (from Friday's DM 2.7735). FFr 8.475 (FFr 8.5135), SwFr 2.271 (SwFr 2.2795) and Y233.05 (Y233.25).

Its Bank of England trade-weighted

index fell from 132 to 131.7. In New York it was DM 2.7585, FFr 8.48,

SwFr 2.2775, Y233.75. Page 41

STERLING closed 45 points up at \$1.3915 and was up at Y324.5 (Y323.75), but eased to DM 3.84 (DM 3.85). FFr 11.70 (FFr 11.805) and SwFr 3.1025 (SwFr 3.165). Its trade weighting was 80.5 (80.4). In New York it was \$1.395. Page 41

GOLD rose \$3.25 an ounce in London, to \$379.75. In Frankfurt it went up \$3 to \$380.5, and in Zurich it rose \$5.75 to \$380.5. Page 40. The FT Gold shares index rose 24.6 to 662.4

was \$379.10. LONDON: FT Industrial Ordinary index edged up by 1.8 to 876.2. Some government securities were marginally up. Report, Page 35. FT Share Information Service, Pages

TOKYO: Nikkei Dow index fell 65.23 to 10.164.97, Stock Exchange index was 5.71 down at 798.48. Report, Page 31, Leading prices, other

exchanges, Page 34 COCOA and COFFEE moved up sharply in London, with July cocoa

161.50 up at £2,074.50 (\$2,886.70) a tonne, and July coffee £33.50 up at £2,507 (\$3,488.5). Page 40 AKZO, the Dutch chemicals and fi-

bres group, reported first-quarter earnings 350 per cent up at Fl 200m (\$64m). Page 21

IOR, the Vatican bank, initialled the \$406m settlement of its involvement in the affair of the failed Banco Ambrosiano, and formal signing will take place later this week. Page 21

CITIBANK has bought Mercantile Bank from Hongkong and Shang-hai Banking for HK\$145m (\$18.5m). AUSTRALIA and New Zealand Banking group reported net earnings 36 per cent up at A\$136m

We regret that full Wall Street stock price lists were not available for this edition because of a computer failure in New York. A reduced listing appears on Page 34

The editorial content of today's international edition has been re-stricted because of industrial action by IG Druck und Papier, the West German print union, at Frankfurter Societäts-Druckerei, where the edition is printed. That prevents the publication of late-breaking news, the final Wall Street report and closing U.S. share prices.

### BORROWING 'TO BE DEARER IN SHORT TERM'

# Baldrige predicts fall in rates as U.S. growth slows

BY PHILIP STEPHENS IN LONDON

U.S. INTEREST rates may rise by a further 1/2 to 1 percentage point over the short-term but should then begin to fall back as growth in the U.S. economy slows, Mr Malcolm Baldrige, U.S. Commerce Secretary, said yesterday.

Mr Baldrige predicted, however, that the U.S. Federal Reserve's poli-cymaking Open Market Committee would decide against tightening credit at its meeting in Washington

The Commerce Secretary, speaking to journalists in London, said that the pace of expansion of the U.S. economy would slow to an annual 5 per cent in the second quarter of this year, and then to about 4 per cent in the last six months of That would allow the Federal Re-

serve's implied target of 10 per cent nominal growth in the economy this year - split fairly evenly between increased output and inflation - to be met without tighter

"I have been wrong before about the Fed, but I guess they won't tighten," Mr Baldrige said.

BY RUPERT CORNWELL IN BONN

THE STRIKES in West Germany's

engineering industry intensified

yesterday, despite reports that

agreed to talks in Stuttgart later this week in a new bid to find a set-

The opening of a second strike

front in the state of Hesse means

the IG Metall engineering union

have stopped work in support of the

demand for a 35-hour working

week. That figure is not a true re-

flection of the situation, however. It

is estimated that 80,000 workers in

the car industry - increasingly crip-

pled by the lack of components nor-

mally produced at the strike-bound

at companies such as Volkswagen

- have aiready been made

idle. If further closures take effect few days.

llement.

at and union leaders nad

M Jacques de Larosiere, managing director of the International Monetary Fund (IMF), sees little chance of new initiatives being launched to ease the debt service burden of countries in the developing world. Page 20

The 8.8 per cent annual growth of the economy in the first quarter of 1984, which had prompted fears of "over-heating," had been fuelled largely by a rapid build-up of inventories, which would not be repeated.

Retail sales showed a much more moderate growth pattern, which implied that consumer and industrial borrowing would moderate, while fears of an inflationary surge were unfounded, he added. U.S. banks raised their prime

lending rates to 12½ per cent earlier this month, prompting a new wave of criticism of U.S. economic policy from indebted developing countries and many industrialised nations. Mr Baldrige acknowledged that the Washington Administration

W. German union opens

second strike front

get deficit and loan rates at next month's seven-nation economic summit in London. But he rejected arguments that these factors were the main cause of low growth in Eu-

He also dismissed forecasts that the dollar faced a major crash on foreign exchange markets, predicting instead that it would decline gradually to between 10 and 20 per cent below its present value by the end of 1985.

The Commerce Secretary, turning to broader international issues, said that members of the Organisation for Economic Co-operation and Development had agreed in principle to a new round of trade liberalisa-

But while the U.S. wanted to press ahead quickly with the negotiations, several European nations were reluctant to set any firm date. Stewart Fleming in Washington

adds: Mr Baldrige and Mr Donald Regan, the U.S. Treasury Secretary, made it clear yesterday that they did not want to see the Federal Reserve tightening its monetary faced further criticism over its bud-policy.

members are facing a lock-out from

strikes began a week ago.

measures on Thursday.

payments.

# Illinois pressed on liquidity problem

By William Hall in New York

U.S. BANKING regulators are put-ting pressure on Continental Illi-nois, the big Chicago bank which was rescued last week, to find a quick solution to its liquidity prob lems even if this leads to the bank being taken over by another institution and losing its independence.

Evidence of the pressure being brought to bear on Continental Illinois emerged yesterday as details of last week's \$2bn emergency capi-tal injection into the beleaguered

Chicago bank were disclosed.

The \$2bn capital injection will roughly double Continental's capital base, but it is in the form of a demand note and does not have a fixed maturity, as has been the case

with earlier capital injections by the U.S. bank regulators. The Federal Deposit Insurance Corporation (FDIC) is putting up \$1.5hn and the rest is being sub-scribed by six New York banks, Morgan Guaranty, Citibank, Chase Manhattan, Chemical Bank, Bankers Trust, Manufacturers Hanover Trust and the San Francisco-based

Bank of America. The FDIC confirmed yesterday that ever since the collapse of Penn Square Bank of Oklahoma City in fuly 1982 it had been working on contingency plans for a possible run on a major U.S. bank.

The main element in this contingency plan is a large temporary capital injection followed by a more careful analysis of the bank's prob-

The FDIC says that there have been precedents for its subscription to demand notes to help banks facing liquidity problems. Last year it offered a \$25m facility to the United Southern Bank of Nashville and a S100m injection for First National Bank of Midland, a big Texas energy lender which suffered from a run today by management in north Baden Württemberg, in the Stutton its deposits.

Bankers note, however, that Mr gart area, where the first all-out William Isaac, chairman of the FDIC, is taking a far tougher stance Employers in Hesse, meanwhile. than his predecessors in requiring are due to decide on retaliatory the troubled banks to find an early In all, well over 300,000 workers

They note that when First Pennsylvania ran into financial difficultat a cost - according to Herr Nor-bert Blum, the Labour Minister - of ies in 1980 the FDIC was prepared to subscribe five-year subordinated over DM 300m (SI08m) a week to debt to enable it to have a "breaththe public exchequer in the form of ing space" until it had sorted out its lost welfare contributions and extra problems.

Continental has not been given Speaking yesterday outside the strike-bound Opel car works at Russuch leeway and U.S. bank regulators are indicating that they expect an early solution to the bank's probselsheim near Frankfurt, Herr Continued on Page 20

Stock markets, Page 31

# Continental Kuwait change of policy over West in Gulf

BY RICHARD JOHNS IN LONDON AND KATHLEEN EVANS IN DUBAI

said yesterday that Arab states of

Saudi-owned Yanbu Pride.

mittee representing Gulf states met Arab-American economic in Riyadh to try to draw up safer operation. shipping routes for Arab tankers in the Gulf. The Gulf Co-operation Council asked for an urgent meeting of the UN Security Council to discuss the threat to shipping in the

The technical committee was looking at routes running parallel with the coasts of Gulf states within region. reach of shore-based anti-aircraft batteries.

waterway.

Kuwait and its neighbours in the determined not to press publicly the

KUWAITS FOREIGN Minister, guarding the oil exports of the con-Sheikh Sabah al Ahmed al Sabah, servative Arab states. Sufficient U.S. intervention to the Gulf had no right to object if the give anything like comprehensive

West intervened to protect oil ship-ping routes in the region.

gir and naval cover to shipping lanes would require base facilities His words revealed a change in within the Gulf itself, as well us policy which shows the extent of those the U.S. has in Oman, accord-Kuwait's apprehension about its se-curity and its oil revenue in the that the U.S. Seventh Fleet would wake of last week's Iranian air at-tacks on two of its tankers and the er Kittyhawk in Gulf waters, with the limited room for manoeuvre.

Saudi leaders met Mr Richard For good measure, Sheikh Ali Murphy, a U.S. Assistant Secretary Khalifa al Sabah, Kuwait's Minister of State, yesterday, to discuss fears of Oil, criticised the U.S. yesterday that the kingdom might be drawn for its "passive" attitude towards into the conflict between Iran and the war between Iran and Iraq. He Iraq. Meanwhile, a technical com- was speaking to a symposium on

Sheikh Sabah explained the Kuwaiti position on intervention in a weekend interview with the newspaper An Nahmar by saying that the Gulf was a vital artery for European and Asian nations. But he ruled out the idea of outside powers establishing military bases in the

Later yesterday, Sheikh Sabah and his Iraqi counterpart. Mr Tariq Aziz, arrived in Tokyo for talks with Gulf Co-operation Council have pre- Mr Shintaro Abe, the Japanese Forviously always formally opposed eign Minister. They are expected to any superpower interference in the urge Tokyo to use all its influence Gulf, and the U.S. Administration is to persuade Iran to accept the question of American forces safe- been calling.

# Asian cable contract goes to UK group

BY JASON CRISP IN LONDON

(\$82.8m) contract to supply the largest part of an undersea telecommunications cable between Singapore and Taiwan. STC is to install the submarine

will supply the much shorter link between Hong Kong and Taiwan. The contract is for the second of three major submarine cables to terminate in Singapore which are to be awarded this year. The three contracts are expected to be worth

apore with France through Sri Lan- Corporation of Taipei.

BRITAIN'S Standard Telephones ka, Saudi Arabia, Egypt and and Cables (STC) has won a £60m France. Submarcom won contracts worth C175m.

The third cable, which is not expected to be awarded until the summer, will be between Singapore. Indonesia and Perth. Australia. The cable between Singapore and Hong main competitors for undersea telewhich claims to have about half the world market, Submarcom, NEC and AT&T Technologies, which includes the former Western Electric.

The order for the Singapore to Taiwan cable has been placed by the Telecommunications Authority Earlier this year, Submarcom, a of Singapore. Cable & Wireless French consortium, won the main share of a £280m cable linking Sing-Telecommunications Development

# European election seen as UK test of Thatcher popularity

and Ford, which have so far ma-

naged to keep operating, this total could rise to 200,000 within the next

On top of that, 65,000 IG Metall

### BY PETER RIDDELL, POLITICAL EDITOR

month will be seen in Britain as the get. She rejected the views of the voters' verdict on the record of the "Euro-fanatics and federalists" and It points Conservative administration since of the "Euro-phobes." last year's general election. Mrs Margaret Thatcher, the UK Prime the veto and was cool about sug-Minister and Mr Neil Kinnock, op-gested talks on an increased EEC position Labour leader admitted emphasis in defence policy.

vesterdav.

Parliament.

the leader of the Labour MEPs. He The Conservatives' document is made it plain that Labour was saymainly a defence of the party's EEC ing to the British people that the record, with its opposition to pro- June 14 election was "an opportuniposed institutional changes to ty for you to record your judgment strengthen collective decision-mak- on the economic and social depresing and the role of the Strasbourg sion which the policies of Mrs Thatcher have brought and on the Launching the document Mrs U.S. cruise missiles and the Trident

Labour makes clear that withemphasised that Conservatives be- drawal from the EEC has been relelieved in the strong British voice gated from an urgent commitment and representation in Europe, parti- to one of a number of options, men-

EUROPEAN ELECTIONS next cularly in relation to the EEC bud-tioned only towards the end of the

Stock markets, Page 31

membership had altered Britain's trading and economic relations and the party would have to calculate The only discordant voice yester-

tionalism" and did not mention the EEC budget row.

comment, Page 18

clearly domestic context, stressing what the parties could do to ad- party unity since then. rance Britain's national interest in the Community, with much less shadow spokesmen all wearing red mention of the activities of the Euroses and by Mrs Barbara Castle, ropean Parliament

Thatcher was at her most ebullient missile programme." and brimming with confidence. She

Mrs Thatcher defended the use of

esterday.

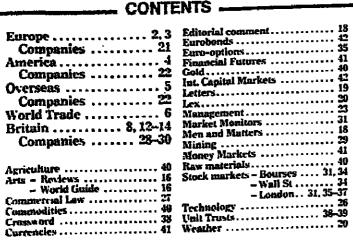
Labour's document is mainly a
Conservative and Labour policy revision of its June 1983 general documents published yesterday in election policies and its launch yes-London were both presented in a terday highlighted the improvements in presentation and greater Mr Kinnock was accompanied by

It points out that Britain will re-

main in the EEC at least until the next general election, and the decision of any incoming Labour Government on withdrawal would depend on whether "we can get the burden of the food bill off British backs and on plugging the outflow of jobs and investment from Brit-Mr Kinnock said 12 years of EEC

carefully where the advantage to Britain lay in terms of membership. day came from Mr Edward Heath, the former Tory leader, who sought to put as much distance from Mrs Thatcher physically as well as in spirit by launching his personal Euro-campaign. He sought to decry

Details, Page 13; Editorial



Basque co-operative: the un- Technology: how a cast orthodox survivor ...... 19 maker survived ....... 26 Spacelab: significant results Editorial comment: Europe are yielded ...... 4 elections; Swiss banks ... 18 Sudan: Nimeiri enforces Lex: Morgan Grenfell; Leroy-Somer: all hands to Finland:

No-strike deals: a key to the Management: share schemes 

Follow Follows and the second of the second ald Scotch Whish ARTHUR BELL & SONS PICTESTABLISHED 1825
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### **EUROPEAN NEWS**

### World insurance premium | Portuguese job | volume up 3.6% in 1982

BY JOHN WICKS IN ZURICH

THE TOTAL premium volume expanded by as much as 10 per of world insurance business. excluding that of the East-bloc countries, reached some \$466bn in 1982, according to estimates by Swiss Reinsurance Company. A further \$6bn is believed to have been accounted for by off-

The \$4665n estimate is only 3.6 per cent up on the company's figure of \$4505n for the previous year, but this modest the overall premium figure was growth rate largely reflects the strength of the dollar. Without Canada alone. European currency effects, world premium countries made up a further volume is seen as having 27.9 per cent, and Japan 13.4

0

cent.

However, the recession was also responsible for the fact that non-life business grew by only 2.2 per cent in dollar terms in 1982, a rate far behind that of have been accounted for by off-shore captive insurers, two-thirds of this sum in Bermuda. economic developments; pre-miums increased by 5.4 per cent to \$199bn.

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# programme

By Our Lisbon Correspondent

THE SOCIALIST-led Portuguese Government has launched an emergency job programme for 3,000 un-employed farm workers in southern Portugal, whose families it recognises are living "on the edge of sub-

Under a four-month programme, the Government will subsidise employers to take on the jobless, paying 70 per cent of their wages up to a maximum of Esc 13,000 (\$92) a

The families all live in the Alente jo land reform zone, where huge wheat and cork estates were seized by Communist-led casual labourers following the 1974 revolution.

# Planned EEC steel cuts to total 30m tonnes Genscher's

BY PAUL CHEESERIGHT IN BRUSSELS

PLANNED CAPACITY in the end of next year. After that no EEC steel industry will total subsidies are permitted.

30m tonnes under a restructur-30m tonnes under a restructuring programme which should
finish by the end of next year,
according to Mr Frans Andriessen, the Commissioner in
charge of competition policy.
This is over 3m tonnes more
than the Commission demanded

from the Ten as a price for approving subsidies aimed at re-

forming the industry.

Mr Andriessen made it clear that the Commission would oppose any attempt either to waive rules agreed by the Ten fo the reform pro-gramm? or to have that pro-gramme extended beyond the

plans for a fresh FFr 30bn (£2.54bn) subsidies programme to run into 1987 and it is widely thought in Brussels that Italy.
Belgism and possibly the UK
may find it beneficial to have
the end-1985 deadline extended.
The grant of subsidies under

The grant of substities under the Ten's 1981 steel programme is tied to capacity cuts and the viability of steel companies by the end of 1985.

In June last year, the Commission demanded capacity cuts of 26.7m tonnes, spread around the Ten from the 1980. around the Ten, from the 1980

of 16.6m tonnes. It set a dead-line of January 31, 1934 for submission of final national restructuring plans, after which

Mr Andriessen said the Comtime no temporary subsidies would be granted except for those to achieve the final plans.

The level of cuts planned and executed so far showed that the programme "is moving in the right direction," Mr Andriessen

France and the UK have not yet submitted their final plans. But the Commission received the Italian plan earlier this month. This accepts the Commission demand for cuts of Sections of the Commission demand for cuts of the Commission demand for mission demand for cuts of to rule out amer 5.8m tonnes and is split between Mr Andriessen.

a refought municipal election at Thionville on the Moselle.

French Left wins poll

France's coalition Government victory at the head of combined won an important local test in Communist-Socialist list pro-

the heart of the country's vides only very partial proof troubled Eastern steel region that the Left may be regaining at the weekend, when the Compopularity during the run up to munist mayor was re-elected in next menth's European elec-

at Thionville on the Moselle.

The victory by M Paul seat in a low poll turnout amid souffrin by a small majority evidence that many people did was viewed with particular comfort by the Communist party, about the Government's insulicipal poll reverses in ability, to stem the tide of municipal poll reverses in redundancies in the Lorraine recent months, above all in the industrialised urban belt around. In other re-run municipal elections at the weekend, the

test in steel region

Mr Andriessen said the Com-neission would hold talks with the Rome Government because it is not clear how the private sector cuts would work out in

Definitive plans for West German, Dutch, Belgian and Luxembourg restructuring are already at the Commission and have been wholly or partially approved, thus releasing subsides. "There is a definitive Irish plan, but I would not wish to rule out amendments," said

The Left won the Thionville

Mr Gromyko replied by devoting a large slice of a 75-minute statement to a sharp attack on Washington, saying it was entirely to blame for the present stalemate, they said.

Speaking at a luncheon after the talks, Herr Genscher returned to the topic and recalled that the Warsaw Pact had said there were no issues THE LEFT-WING parties in recent poll setbacks, the mayor's

N-talks call

by Gromyko

MOSCOW, Herr Hans-Dietrich Genscher, the West German Foreign Minister, yesterday urged the Soviet Union to re-turn to nuclear arms talks, but his approach was brusquely re-buffed by Mr Andrei Gromyko, his Soviet counterpart, accord-

his Soviet counterpart, according to West German officials.

In three hours of talks in the Kremlin, Herr Genscher said the West wanted a dialogue on all issues and in particular a resumption of U.S. Soviet negotiations on medium- and long-range missiles, the officials said.

rebuffed

recalled that the Warsaw Pact had said there were no issues which could not be resolved through talks.

"But these words must be followed by deeds, and without any preconditions," he said.

Herr Genscher was said to have firmly rejected Mr Gromyko's attacks on Washington and termed them and termed

In his own luncheon speech Mr Gromyko stressed that talks on both medium- and longrange nuclear missiles could only resume if U.S. medium-

industrialised urban belt around in other re-run municipal Paris.

The electoral win confirmed right-wing opposition won a M Souffrin's showing in the east of Paris, while the Left which was declared invalid clinched an unexpected success after polling irregularities in the small south-western town-Although it stems the tide of ship of Le Tour. ony resume it (1.5. meaning-range weapons were romoved from Western Europe.

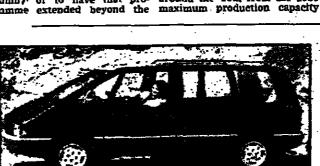
In the address, which diplo-mats described as unusually harsh by Kremlin diplomatic standards, he attacked the U.S. leadership, accusing it of taking a course towards con-frontation and attempting to destroy East-West military

### Legal action over Turkish petition

ANKARA martial law authorities yesterday started legal proceedings against 1,256 leading academics, lawyers, doctors, actors, and intellectuals who last week petitioned President Kenan Evren for more political liberalisation and an end to torture and the death penalty, writes David Barchard in

The petition was carefully worded to avoid any direct breach of Turkey's martial law code. However, it was banned from publication by the military as soon as it appeared.

PMANCIAL TIMES, USPS No 190600 published daily except Sundays and ficilities. U.S. subscription rates \$420.00 per annum, Secund class postage gald at New York NY and at additional, mailing offices.



RENAULT next month will become the first European car manufacturer to launch a van-type "saloon" car capable of seating up to seven people, writes John Griffiths.

The Espace has been developed with Matra, the French aerospace company whose vehicles division was responsible for designing the Rancho, a small Range Rover-type vehicle.

While the Rancho was built in limited quantities by Matra for sale through Renault's dealer network. Renault is to use its own factory at Romorantin to build 50 Espaces a day initially.

It claims that the Espace—to be offered in four versions with 2 litre petrol or diesel engines—will have the handling

with 2 litre petrol or diesel engines—will have the bandling and other qualities of a conventional saloon, and be capable of nearly 110 mph in its most powerful petrol-engined form. The car will enter other Continental markets at the end of the year, and is expected to be sold in Britain from next spring.

### Craxi wins confidence vote on indexation

BY ALAN FRIEDMAN IN ROME

THE GOVERNMENT of Sig Bettino Craxi yesterday easily won its second parliamentary vote of confi-dence in 72 hours, linked to its de-off hurther debate cree cutting Italy's scala mobile

wage indexation system this year. The chamber of deputies supported the Government 318-158 in a conbe held tomorrow. Although this fidence vote which was designed to vote, unlike yesterday's, will be by place a guillotine debate on the decree. The first confidence vote came

tabled in order to delay the key part pean elections are to be held on of Sig Craxi's legislative strategy – June 17, which means that a Craxi

As a result of these extra item the parliament was yesterday hold-

According to one Cabinet minis ter, if these votes go well, then the secret ballot, the Government is expected to hold its majority together in the early hours of Saturday when if the Chamber approves the detected to hote its majority begenerate the chamber voted 341-195 in favour of the Government.

The second vote came as obstructive tactics by the opposition Countries. This could take about 20 tive tactics by the opposition Countries of the Chamber approves the decree on Wednesday it will then be majority agenta to the countries. The Since the countries of the came of the Chamber approves the decree on Wednesday it will then be majority agenta.

# W. German industrial output 'to rise 5%'

DÜSSELDORF – West German industrial production is expected to rise by 5 per cent in 1984 after a 0.9 per cent rise in 1983, West Deutsche Landesbank Girozentzale (WestLB)

In a forecast on different sectors, WestLB said: industrial production rose 6.8 per cent in the first quarter of 1984, compared with the same pe riod last year.

It said the 4 per cent decline in March production was due to special factors and did not mean a break in the higher trend. It skied, however, that a marked decelera-tion in current growth was forecast for 1984, not least as a result of

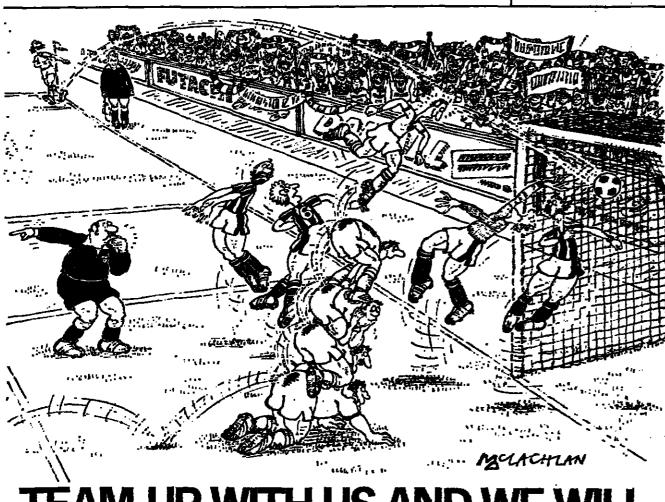
their second week and spreading from Stutigart to the state of Hesse. If the disruption can be kept within limits, growth forecasts can be left ged, the bank said.

But if strikes continue for much onger, its forecasts might have to

The bank noted that production picked up very quickly after wide-spread strikes in the steel industry,

WestLB said to its report that the upswing in West German industry was expected to continue due to a marked rise in investment and conunion stoppages.

WestLB said its forecasts could would slow, however, partly due to not take into account strikes by IG an expected weakening of demand



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April, 1984.

# **Protests complicate** Madrid's decision on Nato membership

A STRING OF pacifist demonstrations in Spanish cities over the weekend and plans for further protests during the next fortnight are proving embarrassing for the country's Socialist Government which is looking for a formula that will commit it to remain within Nato.

The largest demonstration was in Barcelona where some 60,000 were estimated to have turned out. They gathered under the European pacifist slogan of disarmament, and sided a second Spanish-grown slogan which called on the government to honour its electoral promise that a referendum would be held on Spain's continued membership

of the Atlantic alliance.

A notable feature of the Barcelona demonstration was that the local Socialist Party defied the national leadership and backed the protest. Hitherto, Socialist associations have stood aside from pacifist

Cartagena, an important navy depot, and Saragossa where the U.S. air force has facilities.
Spanish pacifist groups are also planning a large protest in Madrid on June 3.

The Government, however, is resisting pressure to name a referendum date. It is also stepping up its public commit-ment to Western defence and is making increasing use of the linkage between membership of the European Community and

of Nato. The original Socialist opposi-tion to Nato entry and the subsequent referendum promise are now viewed in the Government as mistaken, and there is a growing consensus that it is not feasible to leave the

Questioned in Parliament last week by the conservative opposition, Prime Minister Felipe Gonzales refused to be committed to a time schedule for deciding what he termed the "modalities" of Spain's defence role. Spain currently does not form part of Nato's

military command.
In talks in Madrid last week with Chancellor Helmut Kohl, of West Germany, Sr Gonzales repeated that his Government had ruled out neutrality and was determined to play its part in Western defence.

therings. Sr Narcis Serra, the Defence Smaller demonstrations were Minister, said at the week-end that "Spain's future in Nato depends on the (negotiation to join) the EEC." Current government thinking is that, with negotiations on entry due to be completed by September, and with January 1986 as the formal accession date, it will be possible next year to persuade the public of the value of full integration with Europe -economically and defensively.

### **Dutch government leaders** square off over missiles

on whose political support his so."
coalition government vitally T
depends have reached a dangerous low over the increasleal ingly emotive issue of cruise missile deployment in the Netherlands.

The centre-right cabinet is due to vote on the question before the end of June, but Mr before the end of June, but an Ed Nijpels, 34-year-old leader of the Liberal Party (VVD) with which Mr Lubbers's Christian Democrat Party (CDA) is in coalition, has irritated the premier by his refusal to consider compromises and by his seeming haste to reach a bind-

Both he and Mr Nijpels were young enough not to suffer from of deployment. If no agreement loss of memory, Mr Lubbers reis reached next month, both in loss of memory, Mr Lubbers reis reached next month, both in
marked frostly to De Volkescabinet and in Parliament, the leading Dutch news- Govern take ministerial responsibility the autumn.

RELATIONS BETWEEN Mr for defence. They wanted to Rund Lubbers, the Dutch leave the problem to the CDA. Prime Minister, and the man Very well. Now let them do

The Prime Minister has in directly accused Mr Nijpels of leaking information about the so-called crisis variant, under which the Netherlands would prepare a site for cruise but accept the weapons themselves only when East-West confrontation seemed imminent. Mr Lubbers, it emerges, considers the variant a real option, but Mr Nijpels has dismissed it as un-

Mr Lubbers has revealed that, as a result of the mounting pressures, the cabinet finds itself "in an extremely uncomfortable situation." The CDA is badly split on the issue, while the Liberals are strongly in favour nt will fall "The VVD refused to a general election, probably in

### Fraud losses to revenue estimated at Fl 35bn

BY OUR AMSTERDAM CORRESPONDENT

A CONFERENCE on crimin-would greatly lessen the ology in Amsterdam has been Treasury's borrowing requirement. ri 35bn (£8.14bn) as a result of increase in tax revenues would inevitably have a depressive fraud. In addition, some effect on consumer spending, which is only now beginning to recover in the Netherlands after the central property.

Since the central government budget deficit last year amounted to some Fl 30bn. Stricter supervision of tax collection and the closing of called for tougher measures to take the collection and the closing of tax called for tougher measures to take the collection and the closing of taxeties existing the collection. certain loopholes in the law tackle evasion.

¥.

### Banks seek bigger role in Norway's reserves

By Fay Gjester in Oslo

A STEEP rise in the Bank of Norway's foreign currency reserves to a record NKr 62.5bn (£5.7bn) at the end of April has revived discussion among Norwegian bankers about the Govern-ment's policy for investing

The banks would like to see a much larger share deposited in their overseas branches, enabling them to reinvest it on foreign markets. At present, most of the central bank's foreign currency reserves are on deposit with foreign banks. A Bank of Norway spokes-

man said yesterday that there

were no immediate plans to

let Norwegian banks handle a larger share of the state's foreign currency reserves although this question was reviewed from time to time. The large foreign debts which the state ran up in the mid-1970s, when it borrowed against future oil revenues to ride out a recession, have now been virtually repaid. Only NKr 4:5bn was outstanding at the end of 1983, and most of this is due

current year. in view of the country's comfortable foreign exchange position, the Government intends to relax a number of currency-related restrictions, with effect from June 15.

for repayment during the

From that date, there will be no limit on the amount of foreign exchange which Nor-wegians can buy for tourist purposes (the present limit is NKr 10,000 — some £917 —
per person, per journey), although the banks must keep
a record of such purchases,
as a check — among other
things — on "black economy" transactions.

Purchases of foreign ex-change for investment in holiday homes abroad will no longer be subject to the pre-sent NKr 400,000 celling, and an existing ban on borrowing abroad to finance foreign house purchases will be lifted.

Norwegians will be allowed like in foreign shares, and foreigners may invest in both quoted and unquoted Norwe-gian shares. Previously, they could buy only those quoted on the Oslo Bourse.

To buy foreign exchange for direct investment abroad other than shipping, a Bank of Norway licence has been required, although over the last two years licences have been granted almost on demand. Now, the licensing arrangement is to be replaced by a system that will simply record these transactions.

The Government is also considering an increase in the amount which Norwegian banks may lend, in kroner, to foreign customers, provided that the foreign exchange situation continued satisfac-

To date, as a first step in this direction, the banks have been permitted to make some krone loans to oil companies operating on Norway's con-

They are eager to expand this type of activity, but no change in the rules regarding krone loans is expected until the autumn, when next year's budget is tabled, and with it the official economic forecast for 1985.



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Growers turn increasingly to better quality and marketing, writes David Housego

# Passions rise as Midi wine earnings fall

JEAN HUILLET is a burly also brought them into direct regional French winegrower from the confrontation with the police advisers. south who wears his long hair in ringlets and flashes a stud in one ear. He claims to be able to mobilise a force of 3,000 winegrowers in 8-10 hours. With his gypsy looks and

powerful lungs, M Huillet is a well-known figure among the wine producers of the Midi as a leader of one of the semi-claudestine "action commit-

Under the benign neglect of the police, the committees have for years disrupted road and rail traffic, ransacked préfets' offices and emptied lorries bringing imported wine into France as a way of forcing the attention of a distant govern-ment on the southern winegrowers' grievances.

committees the "secular arm" of the trade union movement and, drawing on France's revo lutionary past, an example of "direct democracy" at work. Over the past couple of weeks, however, he has had to restrain his followers. With wine vats overflowing and prices stagnant, the Midi wine producers had been on the ram-

protest against Mrs Thatcher's EEC policies. But a "commando" raid on April 20 on the Leclerc superbadly wrong when, in circum-stances still to be explained, the whole building was set alight causing damages of about FFr 30m (£2.6m). The local action committee immediately

Midi winegrowers. For the leaders of the move-

who arrested six winegrowers and drafted riot forces into Carsassonne as a deterrent growers at Narbonne in Febru-

although the remaining winegrowers weigh heavily M Huillet calls the action

in the politics of the area, they only account for 17 per cent of the wealth it generates. page since February pulling up rail lines, halting road traffic and on one occasion burning two English pleasure boats in

arket in Carcassonne went disclaimed responsibility for an act of arson without precedent even in the violent annals of

ment it brought a warning signal that they might have lost

Many in France fear that the fresh flare-up in the South is part of a wider and more worrying trend. This is the appearance of the flare of the flar ing trend. This is the apparently years ago.

Local opinion is also increasing readiness of interest

Local opinion is also increasing the use

increasing readiness of interest
groups from farmworkers to
steel workers to resort to
violence to defend their cordamaging to a region attempt-Local opinion is increasingly turning against the use of violence which is seen as damaging to a region attempting to establish a new image attractive to the sunbelt industries of tourism, high technology and the intensive cultivation of Mediterranean produce. For,

poratist status against the inroads of recession and ration-

For the Socialist Party the unrest in the south also carries warning signals in that the Languedoc—Roussillon region has been a traditional bastion of the Left that voted more solidly for M. Mitterrand in the 1921 avecidential election than 1981 presidential election than any other region in France. "Our politics are the colour of our wine," says M Andre Cases, another winegrowers' leader for whom red has more than symbolic value.

Worried at the potentional erosion of Socialist party sup-port, M Mitterrand saw a delegation of winegrowers from the Midi and is to visit the area early next year.

In Montpellier, the capital of the Languedoc - Rouissillon region the reaction to this year's disturbances has been more philosophical. "Passions rise and fall with the price of wine," control of a militant group M. Robert Capdeville, the within their rank and file. It Socialist President of the

ing to establish a new image attractive to the sunbelt industries of tourism, high tech-nology and the intensive cultivation of Meditterranean produce. For though the remaining 31,000 full time winegrowers who span the Aude and Herault valleys and the department of the Gard—70,000 if part-time growers are included as well-weigh heavily in the

politics of the region, they only account for 17 per cent of the wealth it generates.

The winegrowers' problem is that they have been doubly squeezed by changing European tastes in wine drinking and by

ing Frenchman's table and was as much part of the popular lost ground in export markets to explain their shift in tack image of France as the Basque to Italy and Spain. With state and expect to suffer the conberet and the long French loaf. and local authority assistance a sequences in the European Frenchmen now drink less new cooperative venture, Caves elections in June.

council, tells his Officials say that, though the demonstration by 6,000 wine-

> of AC wines and 30m hectolitres of table wines. A great many winegrowers have thus seen their earnings slip below the French minimal wage. But M Francois Dubin, head of the Chamber of Agriculture in Montpellier, says that comparisons are difficult to make because of the large

numbers of winegrowers who have second incomes. This year their earnings have fallen sharply because the 1983 wine crop was some 20 per cent down on the outstanding 1982 crop while prices have remained unchanged. The EEC has decided against financing exceptional distillation measures that would reduce the surplus by 5m hectolitres and provide wine-

growers with over 80 per cent of the market prices.

Worse still the EEC has withdrawn financial facilities that help the winegrowers cover Looming in the background is the Midi annulusary fourse that the Midi producers' fears that the entry of Spain and Portugal

minate violence. "An improve-ment in quality from now on, scrupulous on how they boost that is our only chance," he has been quietly telling his fol-and the EEC is increasingly

where growers see they have

hectolitres of higher quality table wines in cans. It has "appellation controllée" wines brought in a marketing speciaand 41m hectolitres of table list from Perrier, the mineral wines mostly from the Midi water group, to help it to They now drink 10m hectolities expand abroad.

Along the slopes higher quality "appelation controllee" wines are being developed with names that are winning a grow-ing reputation in Britain and elsewhere—Costieres du Gard, Minervois, Cotes de Roussillion and Cotes de Languedoc.

At the same time many wine-growers have uprooted thier vines to replant their land with fruit and vegetables. But both wine growers and farmers are finding that prices are in-adequate to cover the cost of the large investments they have made. Ambitious young wine-growers, says M Dupin, have been strangled by the weight of

present unrest is where change dry plain between Beziers and Narbonne which still produces the low grade 5-6 degree wine that needs to be blended with stronger Italian wines bofre it

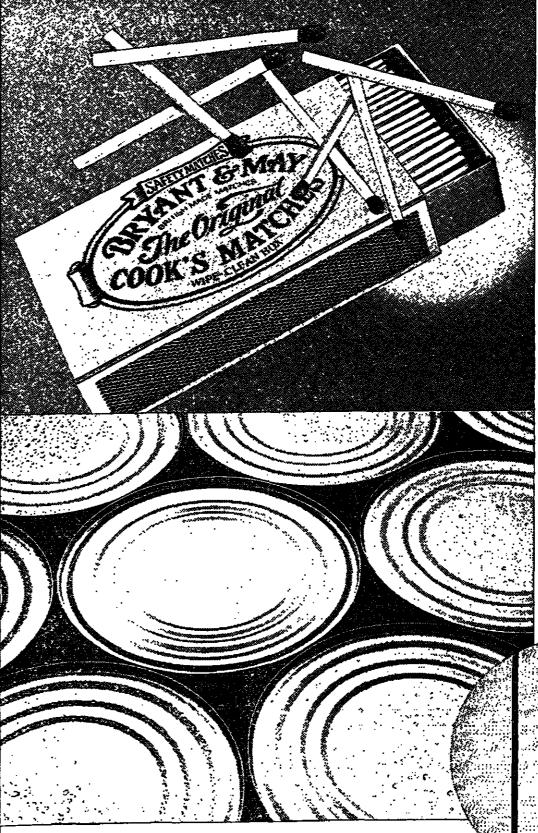
This region made its fortune into the EEC will further flood out of such wine in the pros-the market. out of such wine in the pros-perous years at the end of the M Jean Huillet is one of these
who believes that the Midi will
ment of rail transport opened not reverse the tide by indiscri- up the French market. The lowers. The cooperative which reluctant to subsidise the sur-he runs at Valrosa in the plus The area thus provides

tastes in wine drinking and by increasing competition from other low cost wine growing regions, such as Spain, Italy, Chile and Australia.

The Midi has traditionally produced the cheap red wine that once stood on every working Frenchman's table and was respondent to the control over wine making and by giving more attention to marketing.

The new emphasis on marketing and the action committees with time been replanting, further many of their most militant improving the quality by strict control over wine making and by giving more attention to backed the wine growers in their grievances before they came to power, are now advoing Frenchman's table and was growers see they have ing Rut they find it difficult when growers see they have ing Rut they find it difficult.

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Bryant & May are so pleased, they're already making plans for a further RF dryer.

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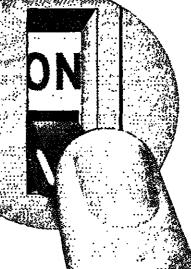
Now, thanks to the switch from hot air blowers to electric air knife dryers, rapid and reliable drying has significantly improved production flow

The results have been so impressive, plans are already well advanced for further air knife installations.

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# Spacelab—new frontiers of science

"WE WERE surprised at just that in a few years the cost of in the ozone layer. Any changes degree to which they suffer how successful we were "—said a Spacelab flight could be in this layer may affect life on from the nausea, depending on earth as the gas acts as a the way the otolith interacts the maiden flight of Spacelab, assuming reduced shuttle barrier to harmful radiation the world's first reusable charges and greater efficiency from the sun.

In another study, scientists laboratory for doing experi- in operating the space laboraments in space.

appearing only slowly from the the first flight, said: "In almost 70 or so teams of scientists that every discipline represented on

took part:
But already it is clear that
the laboratory's maiden mission the saporatory's maiden mission has yielded significant results in areas as diverse as the monitoring of the atmosphere for pollutants, the understanding of how humans adapt to ing of how humans adapt to the weightlessness of space and the development of biochemical catalysts and of hardware for

nuclear fusion reactions.

The scientific teams — from the U.S., Western Europe and Japan — meet in Capri, Italy, Japan — meet in Capri, italy, next month to provide the first detailed assessment of what they learned from the mission. The flight was a joint effort by the U.S. National Aernautics and Space Administration, which provided the space shuttle inside which the laboratory journeyed through the heavens, and the European Space Agency, which developed Spacelab at a cost of \$750m.

As part of an agreement hatched in 1973, after the hardware made the first detailed measurements over the days in orbit.

According to the scientists, space sickness is due to the erratic behaviour in space of the otolith, an organ inside the inner ear. By sending electrical signals along nerves to the brain, the otolith helps people to keep their balance and of gases such as ozone, carbon dioxide, methane and carbon dioxide, methane and carbon additionally the separation of gases such as ozone, carbon additionally the separation of gases such as ozone, carbon dioxide, methane and carbon additionally the separation of gases such as ozone, carbon dioxide. By repeating the separation of gases such as ozone, carbon dioxide. By repeating the signals passing from the signals passing from the signals passing from the signals passing from the otolith sends in the property of the U.S. Government which will rent it out on future missions to anyone who can afford the fee.

The first mission cost some next month to provide the first detailed assessment of what

The first mission cost some \$350m including launch fees for the shuttle. But Nasa thinks can monitor in detail variations

Preliminary results from last Dr Michael Wiskerchen, November's 10-day mission are Nasa's programme scientist for the flight, we set new frontiers in science."

In another study, scientists gravity. from the Massachusetts Institute of Technology and Nasa's Johnson Space Center in Houston investigated the behaviour in weightlessness of some of the six astronauts who took part in the Spacelab mission.

maiden flight of the world's first re-usable laboratory for doing experiments in space

an altitude of 250 km.

The hardware made the first

sphere. Workers may also find they

scanned the atmosphere as to travel sickness on the ground Spacelab encircled the earth at and labelled space adaptation syndrome, that affects many

astronauts during their first few

horoughly confused, producing

Researchers can quantify this interaction by monitoring signals to the otolith before astronauts take to space—in this way medical workers may be able to predict those who are most prone to sickness. If

In other research related to astronauts' health, scientists tried to find out why people often come back from space suffering from anaemia. It appears that something happens under weightlessness to inter-fere with the production of red

blood cells. Workers think they have pinned this down on a hormone called erythropoiesis. Present naturally in the blood, this attacks cells. Production of the hormone is triggered when the body realises it has too much blood and wants to get rid of some of the fluid.
Scientists found that the blood streams of their human guinea pigs aboard Spacelab

contained twice as much of this hormone as is normal. It appears this is because under zero gravity the upper reaches of people's bodies contain more blood than usual—on earth blood is concentrated toward the leaves parts as a result of

he sickness. The top elements of the body obtained the extra energy from materials science. Two more Astronauts differ in the are thus fooled into thinking the plasma, or "soup" of ionised U.S. missions, in 1985, will



Payload specialist Ulf Merbold— the first European to fly on the Shuttle

they have too much blood. This initiates extra production of the hormone, and the concentration of blood cells falls. On future flights, physicians may give astronauts drugs to ensure that the hormone does not over pro-

In another venture, scientists source of energy. want to fly Spacelab roughly hot out into space beams of With a camera produced in once a year. shot out into space beams of electrons and then collected them, with the metal parts of the space shuttle acting as a conductor for the electronis'

Surprisingly, they found that can be picked out, the energy of the beam. The U.S. plans a second increased by a factor of five. Spacelab flight this November Researchers think the electrons

to me ionised gases that, in the decades to come, may feature inside nuclear-fusion reactors which could be an important

West Germany, Spacelab took thousands of pictures of the earth. The camera took shots 200 km sq, in which objects of dimensions as little as 20 metres

that will concentrate on materials science. Two more

feature more observations of the atmosphere and experi-ments in plasma physics and astronomy. West Germany is paying for its own Spacelah West Germany is mission, also planned for next

Thereafter, Nasa scientists

Meanwhile, scientists are still trying to sort out the mass of information—20m TV pictures and enough computer data to fill half a million average-length novels — that the first special country to earth. Spacelab sent to earth. Only after this job is finished, perhaps a year or so from now, will full results from the mis-

### Sr Duarte battles to win over **Congress**

By Reginald Dale in Washington SR JOSE NAPOLEON DUARTE, President-elect of El Salvador, yesterday began a round of Washington appearances in which he will insist that he can tackle his country's "tremendous crisis," but only if assured of continuing U.S. support.

At the White House for talks with President Ronald Regau.

Sr Duarte said that as President he would try to "win the battle" for the minds of his countrymen, but admitted that it would be

our admitted that it would be a "hard task."

Sr Duarte's main task in Washington is to convince Congress to approve Mr Reagan's request for \$62m in urgent military aid for El Salvador, on which the House of Representations atives may vote later this week. In a television interview on Sun day, he said that his embattled army had only three months supply of ammunition.

Government forces were using 150,000 bullets a day, Sr Duarte said, a rate that seemed high to Washington military analysts. He suggested that it might be a good idea to build a munitions factory in El Salvador to assure

the continuity of supply. He insisted, however, that U.S. aid should not be encum-bered with "unilateral conditions "—such as those that many Democrats would like to attach to U.S. military funds. His Government, he said, would stand up to its own responsibi-

stand up to its own responsibilities in confronting social
problems, violence and the
right-wing death squads.
Sr Duarte repeated that he
had "no information" about
reports that the Central
Intelligence Agency (CIA) had
channelled covert funds to his
party to help him win the prest. party to help him win the presi-dential election earlier this month.
Sr Duarte said, reports that

he had received support from the CIA had actually helped him, because the Salvador rightists had earlier said he was in the pay of the communists. While his Christian Democrats had received no support "from anybody," Sr Duarte said, "you have to remember that we're fighting against an hegemony of power on the extreme right, who had millions of millions of money support from all over the world.

He reiterated his intention of setting up an independent presidential commission to investidental commission to investi-gate some of the more notorious death squad killings. He said that ending the violence was a first step towards opening a "dialogue" with the country's left-wing guerrillas—although he had no plan to offer them a

### **Exchanging** reality for nostalgia 40 years on

By Stewart Fleming in Bretton Woods

"United Nations Monetary Conference 1944 United Kingdom, Lord John Maynard Keynes," reads the small bruss plaque on the door of room 219 of the Mount Washington Hotel, Bretton Woods, New Hampshire.

It was here, 40 years ago that Mr Keynes and Mr Harry White, leading the U.S. delegation, helped to create the world monetary system for the post war era, a system which, according to Mr Louis Rasminsky, a member of the Canadian delegation in 1944 underpinned "a period of prosperity greater than the world has ever seen."

Mr Rasminsky was one of Mr Rasminsky was one of four delegates from the first Bretton Woods conference who gathered here last weekend to review the manetary history of the past 40 years along with economists and officials such as Lord Eric Roll and Mr Robert Roosa, men who helped to manage the Bretton Woods system of fixed but adjustable exchange rates before it exploded in rates before it exploded in

In the eyes of some at least they were forced to survey the ruins of what Mr Keynes and Harry White created and instead contemplate a monetary non-system of destablising capital flows, violently gyrating exchange rates and contending economic philosophies.

rates and contending economic philosophies.

It is not just the presence of four original participants which contributed to the palpable nostalgia which hung over the fortieth anniversary conference.

conference.

With the headlines full of reports of searing interest rates, the developing country debt crisis and last week the unprecedented \$7.5hn bail out of Continental Illinois, a yearning for a more orderly and disciplined financial system prevailed.

But the men attending the

But the men attending the meeting are realists, not remantics, who recognise that a return to the system which contributed so much to the stability of the 1950s and

1960s is not on the cards.

The big difference, in the eyes of Lord Roll, is the intellectual climate. At the first Bretton Woods conferfirst Bretton Woods conference there were great differences of view on practical issues, but not on the intellectual foundation of macro-economic policy. "That is not an attitude we can have today," Lord Roll added, "The developing countries are very much at the centre of the much at the centre of the

The conviction that to some degree at least it is the in-tellectual procecupations of tellectual preoccupations of the U.S. Treasury which is helping to block policy cen-vergence was underlined by Mr Robert Rossa, a former treasury undersecretary for monetary affairs.

"I would like to think there

s an arrangement which shamed the U.S. Treasury into doing a little more than they have been doing," he growled. But whether some form of and whether some form of exchange rate targeting, such as Mr Rossa advecates, could provide the discipline is hely contested. Mr Jacob Frenket of the University of Chicago asked whether the exchange rate system creates the economic policy discipline or the policy discipline creates the exchange rate system."

According to Mr Rasminsky however discipline is not al-

however discipline is not al-ways everything it is eracked up to be. Recalling the late night drafting sessions as the Bretton Weeds conference in 1944 shaped the International Monetary. Fund's articles of association, Mr Rasminsky cast his mind nostalically back to those exciting nights when the delegates, tiring of their efforts, were sent off to the Mount Washington botel's blue room for an hour.

blue room for in hour.
There, he said, they visually savoured the delights of "Conchita the Peruvian bombshell, a Latin American belly dancer, whose contribution to post-war prosperity Mr Rasminsky claimed, has past unremarked (or all these

### Mondale says he will win California and New Jersey

FORMER Vice President Walter that day. He said he believed

Mondale has for the first time predicted that he will carry both California and New Jersey in the important closing round of Democratic presidential primaries on June 5.

Mr Mondale was particularly confident about New Jersey, but recent opinion polls have also shown him drawing even with Senator Garry Hart in California, generally considered Hart territory. Mr Mondale added that he

also expected to do well in the other three primaries on final Tuesday, in New Mexico, South Dakota and West Virginia, but was less sanguine than he once was about being able to lock up the Democratic presidential nomination by the end of voting

that day. He said he believed "I'll have the delegates I need by the time the convention opens (on June 16)."

Latest unofficial figures yesterday showed Mr Mondale 380 short of the 1,867 delegates needed to win the nomination at the San Francisco convent

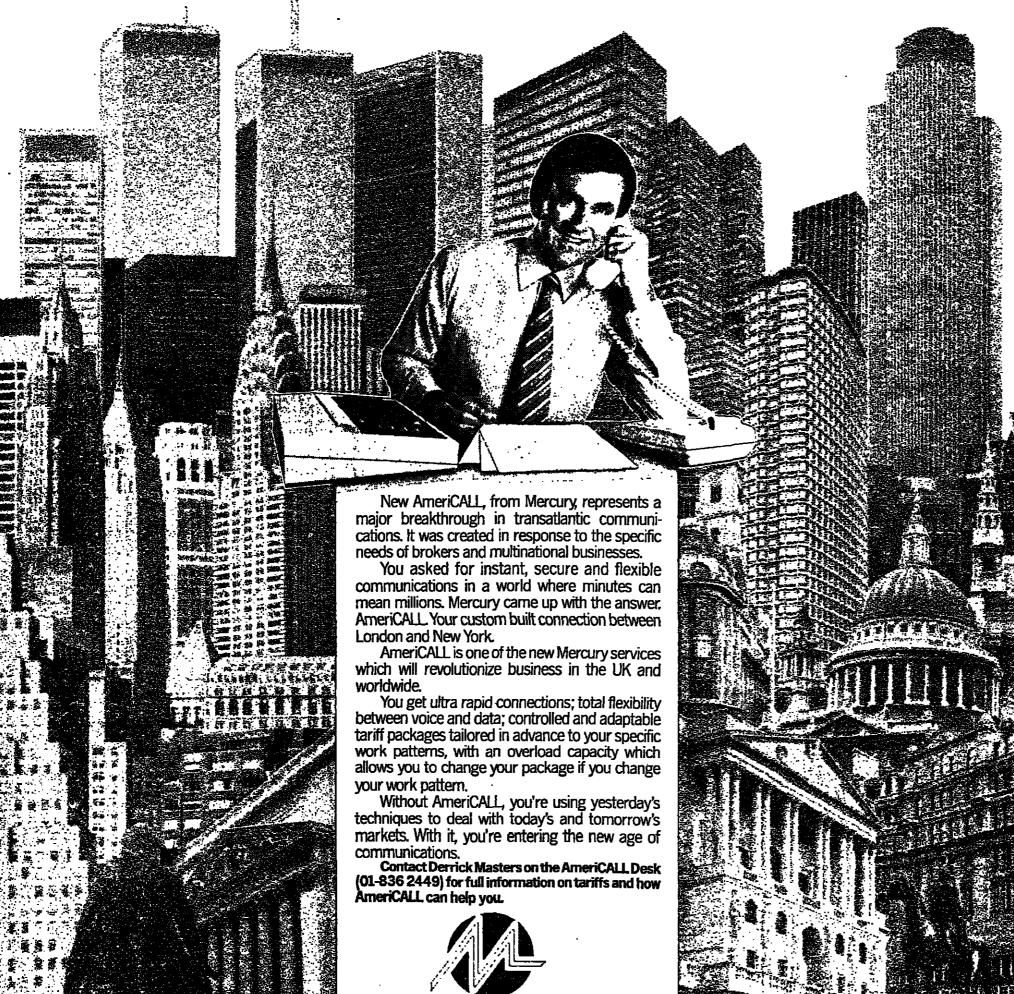
at the San Francisco convention, with a total of 1,587. Senator Hart, his main rival. Jackson, the third remaining candidate had 294, and 334 were uncommitted. Both Mr Mondale and Mr Hart are now making heavy plays for the uncumnited delegates.

Mr Mondale made it clear that he would strongly resist offers he Mr Hart and Mr

efforts by Mr Hart and Mr Jackson to resilierate delegates

**MERCURY** AMERICALL

# ON THE SPOT WITHOUT BEING ON THE SPOT.





AT THE SPEED OF THOUGHT

### **OVERSEAS NEWS**

### Five charged with fraud over collapse of Carrian

By David Dodwell in Hong Kong KONG yesterday arrested five men on charges of conspiracy to defraud in connection with Carrian Investments, the property and shipping group headed by Mr George Tan which was put into liqui-dation in October last year. Police refused to identify the men, except to say that three were Chinese and two Europease. It is understood however that two are former senior executives of Carrian,

while the others are employed by a major international accountancy firm in Hong Kong, and by a leading firm of Kong Kong

lawyers.
Until now charges linked with the Carrian crash had only been lodged against Mr George Tan and Mr Bentley Ho, directors of Carrian. Mr Tan is charged with making a false statement as a company director, while Mr Ho faces a similar charge and a further one of false a further one of false

Committal hearings for these two men have been set for September 10, almost a year after they were arrested on what police described as "holding charges". Mr Tan is free on ball of HK\$50m (£4.6m) and Mr Ho on ball of

The Carrian Group, whose main interests were in ship-ping and property, collapsed during the Hong Kong property crash of autumn 1982. On liquidation in October last year, it is understood that debts attributable to the group, and to those controlled privately by Mr Tan, amounted to more than HK\$10bn. The largest creditor is understood to be Bank Bumipatra Malaysia. Fresh charges in connection

Fresh charges in connection with the group's collapse have been expected for some months. It is thought they were delayed while the trial was still in progress of Mr Mak Foon Than, who was last week convicted of mandering Mr Jalil Ibrahim, an employee of Bank Bumiputra Malaysia. Mr Ibrahim was the background to some of the background to some of the bank's loans.

The five men charged yesterday are expected to appear in court this morning. Reuter adds from Hong Rong: During the weekend it was aumounced that an in-quest would be held into the death of former Carrian lawyer Mr John Wimbush, whose body was found at the bottom of his swimming pool, tied by the neck to a concrete

### Malaysian bid to attract more foreign investors By Wong Striong in Kuala Lumpur

THE MALAYSIAN GOVERNment is to relax its rigid equity rules in a bid to attract more foreign investments. Dr Mahathir Mohamed, the Prime Minister, told med, the Prime Minister, told a group of leading local businessmen that, under the present rules, no foreign investor would invest heavily in Malaysia when he knows he would end up a minority shareholder. Under the Government's New Economic Policy, foreign companies are required to reduce their stakes progressively to only 30 per cent by 1990.

Foreign husinessmen, par-

30 per cent by 1990.

Foreign husinessmen, particularly Americans, have said this equity limitation is the most serious barrier to investment in Malaysia.

What is the loss to Malaysia if we allow largely foreign-owned big manufacturing establishments, which used our rubber, tin and other resources, to operate here and

used our ruoper, tin and other resources, to operate here and retain the majority stake?"

Dr Mahathir zaked.

Since the New Economic Policy was launched in 1970, the foreign ownership of the Mahawaian corporate sector.

the toreign ownership of the Malaysian corporate sector (defined as publicly listed companies) has declined from 63 per cent to about 28 per

# Nimeiri enforces **Islamic** state

The newly-introduced sharia law has perils for both businessmen and ordinary Sudanese, reports a special correspondent in Khartoum

He has appointed two hard-man line Moslems to the leadership £60.

### **Troops rush** to clashes in Bombay

BOMBAY — Fresh Hindu-Moslem clashes flared in south-west India yesterday and Prime Minister Indira Gandhi heard first-hand accounts of the recent slaughter.

The fighting has killed more than 100 people in five days. As army reinforcements rushed into a suburb of Bombay, Mrs Gandhi flew to the industrial town Bhiwandi, 60 miles to north, and visited a gutted farm house where 20 bodies

were found on Saturday.

The owner of the house told the Prime Minister that a mob, armed with swords and staves had launched the attack, stabbing and bludgeoning the

"They then dragged the proble out, poured kerosene over them and set them alight," he added.
Police tallied 105 dead and

more than 300 injured in the fighting. They had no figures yet for the latest outbreak. Accompanied by her son and political heir-apparent, Rajiv, Mrs Gandhi consoled some of the 6,000 refugees who bave lost their homes in the riots. Hundreds of people gathered in the streets to hear ment would take firm action. Bhiwandi,

normally populated by about 500,000 people, have been razed to the ground in the battles between enraged Hindus and Moslems. Fears of sectarian violence have dominated two days of by-elections for assemblies in 14 of India's 22 states, which Indian newspapers have said are an important test for Mrs Gandhi's ruling Congress (I)

Party.
Four people were killed and between rival party workers on the first day of polling on Sunday, the Press Trust of India (PTI) news agency reported.

Tight security has been im-

posed at voting stations in at least seven states to prevent new outbreaks of political unrest.

Mrs Gandhi must call national parliamentary elections by January next year when her term of office expires. Mrs Gandhi appealed for peace and religious tolerance. "It is the poor who always

### Guinea Bissau backs leader

CONSTITUTIONAL approved last week in the West African state of Guinea Bissau have reinforced the authority of head of state General Joso
Bernardo Vieira and the
gradual strengthening of ties
with the west, Peter Blackburn,

with the west, Peter Blackburn, reports from Abidian.

A new constitution was approved by the National Assembly to replace the one suspended after the military coup 3½ years ago. It keeps the same Marxist orientation but abolishes the post of Prime Minister. The assembly elected Gen Vicira chairman of a 15 member council of state to replace the revolutionary replace the revolutionary council that has ruled the country since November 1980. He is expected to form a new government shortly.

### Testimony fuels doubt over official line on Aquino death

BY EMILIA TAGAZA IN MANILA

THE fact-finding board investigating the assassination of Mr. Benigmo Aquino, the Philippine opposition leader, entered a crucial stage yesterday when it began questioning the five military escorts who were military escorts who were guarding him when he was shot at Manila International Airport. at Mami't international Airport. Yesterday, the board called in Lieut Jesus Castro, head of the

Security escorts.
Although Lieut Castro testofied that he did not see Mr Aguno being shor, his five-hour testimony helped the board reliablish what it believes is a fairly accurate sequence of events from the time the escorts led Mr Aquino from the plane, and bolstered proof it already had.

Justice Corazenn Agrava, has elected, against 4. OpJustice Corazenn Agrava, has established a fair degree of 
crodinities chang Filipinor who 
generally suspect President 
Ferdinand Marcos Government 
according to Namfrel. The board, headed by former

Renter reports: One week after a crucial national assembly election. Filipinos still do not know the complete make-up of the legislature they elected.

The latest unofficial count by the National Citizens' Move-ment for Free Elections (Namfrel), an independent watchdog body set up by business and church groups, showed 73 of Mr Marcos's ruling New Society Party (KBL) candidates elected, against 47 Op-

of the country's only legal political party, the Sudanese Socialist Union. The party's new First Secretary, Mohamed Omer. was the first provincial 1.000 people have been arrested since the emergency began on charges of prostitution, alcohol trafficking and illegal hoarding. They will appear in new milltary courts set up in the capital two weeks ago.

Many arrests have taken place in government ministries and corporations. About 35 people convicted of theft are according the according to the conviction of in Khartoum

PRESIDENT Jaafar Nimeiri has moved to strengthen the trend towards authoritarian Islam in Sudan since he declared a state of emergency late last month.

people convicted or mert are awaiting the amputation of their hands and some may suffer "crucifixion" under which the right hand and the left foot are removed. At least five people have been sentenced to crucifixion, including one man who stole goods worth

President Nimeiri has made flow of risk capital vital to the is delayed, the lender is left clear that the adoption of the country's economic future may with the goods, but no redress. it clear that the adoption of the Islamic way of life in Sudan is irrevocable, but to many, this sounds like the cry of a dying regime. The anti-Government forces of the Sudan People's Liberation Army have turned the South of the courter into commissioner to try to ban regime. The anti-Government alcohol. The new Social and forces of the Sudan People's Political Affairs Secretary, Liberation Army have turned the command of the country's an inaccessible battleground, and the President has alienated many sections of the command. many sections of the community. Talk of coups and new

governments is now open.

If the present regime falls, the introduction of Islamic law last September will be seen as the beginning of its end. Not only did it take the Sudanese people by surprise, but also the country's closest allies, Egypt and the U.S., who see Sudan as an important bastion of Western-orientated stability against Libyan and Soviet de-

dry up.

are required to share the risks of a venture, gaining profits in a partnership rather than interest on a loan. The law is also based on the notion that money has no value in relation to time—and thus ignores con-cepts central to the principles of Western banking.

forced to operate under the principle of murabaha by which, instead of lending for purchase of plant and equipment, they purchase the goods themselves and re-sell to the borrower at a higher price which includes the equivalent of interest. But under murabaha, no con-

tract can be made until the goods are available for sale, so

Under the new law lenders

Lenders in Sudan are now

The system may be effective in a genuine joint venture or in a short-term trading position where money is exposed only briefly, but Sudan requires both the type of highly technical equipment for which there may be no alternative buyer and development finance over the long term. Delays and disorganisation in the country are chronic, so there is a poten-tial hazard even after a con-

tial hazard even after a contract has been agreed.

There is no provision for rescheduling debts which cannot be repaid due to production delays, so the risk is likely to force lenders to increase the interest-equivalent in their prices. The cost of capital is expected to rise, perhaps making unviable some highly technical projects.

The abolition of limited liability has made the Islamic partnership idea even more

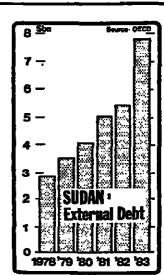
has not been specifically amended and limited liability companies can still be set up, the Civil Transactions Act passed in February will take precedence in areas of conflict.

In the event of liquidation, creditors will be able to go to shareholders for payment. Banking and finance officials in Khartoum say that this is causing alarm abroad which may simply persuade companies to withdraw from the country if the risk of losses seems high.

Businessmen are as yet un-certain as to how the laws will be implemented, and a lawyers meeting to discuss the matter was curtailed by the declaration of a state of emergency. Interest is still being charged

against Libyan and Soviet designs in the Horn of Africa.

Meanwhile, finance companies and banks are reviewing their position in Sudan following the reached. If the prospective position of Islamic laws, it is widely acknowledged that the



# Seiko launches pocket colour television

BY ROBERT COTTRELL IN TOKYO

SEIKO, the Japanese elec- production of televisions. tronics group, yesterday demonstrated what it claims is the Channel" world's first pocket colour tele-vision set with a liquid crystal screen. two-inch screen and weighs 450 grams. It will be priced at Yen 84,800 in Japan (\$500 to screen.

The LC screen incroporates a thin film transistor" (tft) type display, Seiko says several the same again in the U.S., by other Japanese electronics com- next spring. panies have developed tft technologies, but Seiko believes it Seiko's wristwatch-sized black-has a two-year lead time in and-white television, which also adapting the display to the mass incorporated a liquid crystal

Seiko's product, called "My Channel" in Japan, features a \$550). Marketing begins in August. Seiko says it hopes to sell 30,000 units in Japan, and

The "My Channel" succeeds

display. Seiko now plans to terday that the company is cease production of the TV "just starting in a new tech-Watch, which the company says nology area" with its "My has sold 70,000 units since it Channel," and that other related has sold 70,000 units since it Channel," and that other related was introduced in December, products would probably follow

At the same time, Citizen, another Japanese manufacturer. plans to introduce on June 25 its own miniature black-and-white liquid crystal television set, called the "Citizen Pocket," weighing 275 grams and priced

A Seiko spokesman said yes-

He said the company would hope in the future to reduce its manufacturing costs and so bring retail prices down, he said the current model of "My Channel" is adapted only to U.S. and Japanese signal reception. A European-type model would available in two years'

### Zimbabwe in further move to curb money supply

ZIMBABWE yesterday moved with effect from May 1.

ratios were raised further to 40 per cent with effect from June 21.

At the end of March, commercial and merchant banks ties has generated an inflow were told to increase their of funds to the banks and minimum liquid assets from necessitated further measures 30 per cent to 35 per cent of their liabilities to the public, money supply.

to curb money supply growth by tightening bank liquidity ratios for the second time in as many months. Their liquidity with effect from May 1.

The March 27 tightening of Zimbabwean exchange controls included the temporary embargo on remittances abroad embargo on remittances abroad of profits, dividends, rents, and some interest payments. This and the associated purchase of domestically-held foreign securi-

word "exports" to mean interna-

tionalisation. At Ricob, therefore, we

changed the emphasis towards over-

seas operations, with five major

factors to be considered: (1)

marketing, which is the same as before, (2) local production, (3) R and

D activities in other countries, (4)

financing overseas and (5) recruit-

ment of foreign personnel. This will

be our fifth manufacturing plant

outside Japan. We already have two

in the United States, one in Taiwan

and another in South Korea. When

the Telford plant begins operation

next January, we plan to start with

manufacture of dry toner and photo-

conductor drums for plain paper

copiers. The manufacturing opera-

tions will be expanded to cover office

automation equipment, including ppc hardware. When we have local

production we must have the pro-

duction technology for the various

products, and this must be taken care

of locally. That is where the R and D

responsibility comes into play. I should stress that production at

Telford will not be on a knockdown

basis. We will be using local sourcing

for the materials. And it is vital that

we build in local technology to the

production process in order to succeed. We hope this will improve

the R and D capability of the local

area, and also encourage the industry

as a whole through the purchase of a

good proportion of the materials to be used in the facility. We will start off

MANAGEMENT AMIDST DIVERSIFICATION

# WHERE SCIENCE MEETS BUSINESS ON A GLOBAL SCALE

Hiroshi Hamada, President, Ricoh Company, Ltd.

By Geoffrey Murray

icoh is a good example of the way in which Japanese companies technological innovation to improve and diversify their product lines in tune with client needs. Founded in 1936 as a manufacturer of sensitized paper for copying industrial drawings and cameras, the company used its growing expertise in optics to first branch out into copying machines, achieving today a world leading posi-tion in the production of plain paper copiers. This has developed further into the whole range of office auto-mation equipment and system, such as facsimile, word processors, small business computers, printers, teletex, data processing systems, information retrieval systems and local area network. With a broad technological base in optics, mechanical engi-neering, chemicals and electronics, Ricoh feels it is ideally placed to move in many different directions to anticipate the changing needs of a hightech society. Ricoh, declares a slagan in the company's latest annual report, is "where science meets business," a view amplified by President Hiroshi

Murray: What has been the basic management philosophy governing the moves you have made in business diversification over the

Hamada: As you know, we started off as a manufacturer of cameras and sensitive paper for industrial drawing. Our philosophy was to deal with products that had something to do with light. We haven't neglected the original product areas, but we probably would have gone out of business a long time ago if we had simply stuck to them. From the paper, for example, we started diversifying into copying machines. In order to sell our copiers we created a major dealer network in Japan and overseas. From that start, we began to contribute to the better efficiency of offices in general. We became more user and dealer oriented and more products were added within this framework. As we have accumulated more expertise in the various fields we have become more technology-oriented, and from now on I think we should move in the direction of diversification based on the most sophisticated technology available. As society changes so must the company change. If a new market opens up, then the company must add new products.

"Optics-Oriented"

Murray: Is optics still the underlying theme of your product development?

Hamada: We are not necessarily sticking to our original technology. There are quite a few non-optic products we produce and in which we consider we are strong. But of all the many office-oriented products we produce, some 70 percent are really optics-oriented, so our tradition in optics is still continuing. Copiers, of course, are based on outics technology. Facsimile is a communications system, but the reading part is optics. But with the changes in society accelerating, technology becoming more sophisticated, and with competition intensifying, we feel we have to add to our existing lines and to stay strong by catching all the various possibilities that emerge in the market. There has been a boom in office automation in recent years, and

there are three important aspects of this I would like to stress. First, there is the combination of communications and computers. Second, there is image processing. This used to lag behind data processing, but with advanced new technology it has become possible to mechanize a lot of things that used to be done before by hand. Thirdly, the proportion of software has become much, much bigger. At Ricoh, our present target is to become a comprehensive manufacturer of office automation systems in all three aspects. We want to add a lot more software, especially in the area of image processing. We also want to get involved in the communications and computers field.

### "High Speed Facsimile"

Murray: Is there any one product of which you are particularly proud at present?

Hamada: Well, as I mentioned before, we have never neglected our old line of products, the cameras. Two years ago, we came up with the Ricoh

Ricoh Nederland B.V.

Alsen Rondweg 102, P.O. Box 114, Amstelveen, Holland Phone: (020) 458651 Fax: (31) 20-472006 Telex: 11384

FF-3AF, a fully-automated 35mm camera with a built-in our own made LSL As a result, I was selected last year by the American Photographic Manufacturers and Dealers Association as their Man Of The Year. Another area is copiers, where we have constantly worked to satisfy the needs of society by providing the most reliable and least expensive products at the right time. This made Ricoh the only company that has changed its entire copier system four times, first from diazo paper copier to electrofax paper copier, followed by the wet process plain paper copier, and finally, the present range of dry process plain paper copier. In the latter, we now hold a leading position of the world market. In 1973, we also developed the world's fastest facsimile utilizing public telephone network. Existing machines took two to six minutes to transmit a single page original. We cut that down to one minute, to the great surprise of the market. As the technology has continued to improve over the past decade we have further reduced the time to the present 9 seconds. At the same time, we have worked hard on producing facsimile systems that are

smaller and cheaper—one of the reasons why we hold a leading position in a high speed facsimile market share at present. Murray: Is there any

room for further improvement?

· Hamada: Definitely; facsimile will become even smaller and will be used by more people, not only in of-fices but also in the home. Personally, I don't feel copiers will become too popular in the home, because I don't really feel the need is there. But if we have a facsimile that can also function as a copier, then I think this will be very convenient for home use. The most important feature to be remem-bered about facsimile is that it can receive messages with-

out anyone tending the ma chine. With a telephone, someone has to be there, or you have to hunt sround for the person being called. With facsimile you simply write your message quietly and it is bound to be delivered. There are many products for office use like this which are becoming thinner, smaller and lighter, which I feel have potential for home use as well. That is certainly one of our dreams.

### "Overseas R and D Role Important"

Murray: Another important aspect of diversification is, naturally, rnationalisation. You have nou established several manufacturing facilities overseas, and you are now making a multimillion pound invest-ment in a factory in Telford, Shropshire, to produce office automation-related products. An interesting aspect of this is your determination to have the Telford plant assume an R and D responsibility. Could you talk about your philosophy in this regard?

Hamada: In the past we simply talked about promotion of exports, but nowadays we cannot use the

with about 100 employees, and, if everything goes well with our expansion plans, this should increase to 170 by the third year of operations. We are certainly hoping that the investment will bring Ricoh more closely into the British community in every sense.

Murray: You mentioned earlier the recruitment of local personnel. Do you simply mean the production line you thinking in wider terms?

Hamada: Our ultimate goal is to transform Ricoh into a truly world-

wide operation. As a first stage of this plan, we have hired two Englishmen and two Irishmen to work in Tokyo. These appointments have nothing whatsoever to do with the Telford project. They are part of our overall internationalisation programme. The two Irishmen, for example, are software engineers, and they will help strengthen our capability in this area in the international arena. I can say that for the next few years at least, Ricoh will be devoting greater energy and resources to developing our overseas operations. We believe that a strong global network in marketing, manufacturing and R and D operations is imperative. We will be looking for contributions from a wide variety of sources and will neglect no opportunity to introduce overseas thinking into our operations.

Ricoh Company, Ltd.

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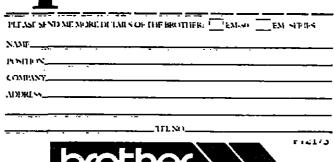
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### WORLD TRADE NEWS

### U.S. curbs on Soviet trade upset Finns

FINLAND'S electronics industry is worried about the con-sequence of renewed American efforts to crack down on trade in high technology products with the Soviet Union and its

Mr Timo Relander, the new managing director of the Con-federation of Finnish Industries, said in London yesterday that the industry, which was highly dependent on supplies from the U.S., had been discussing the question recently.

"We are a little bit afraid of what will happen in the future," he said. But he emphasised that Finland had not been subject to any special pressure.

Following the recent seizure of computers illegally bound for the Soviet Union, the U.S. the Soviet Union, the U.S. Administration had stepped up surveillance of the Nordic countries and other suspected staging posts such as Austria and Switzerland. The Pentagon has been given authority to review export licence applications for sales to some of these countries.

Finland has long had closer trade ties with the Soviet Union than any other European country outside Comecon. About a quarter of its exports are to the USSR. But this trade is declining relative to trade with Western Europe, partly because Finland feels it has reached its capacity to absorb

reached its capacity to absorb
reciprocal Soviet sales of oil and
other raw materials.

David Brown adds from
Stockholm: The Swedish
Foreign Ministry has ordered a
cargo of advanced Americanmade electronic equipment —
discovered and impounded early
this year while heins emugaled this year while being smuggled to the East bloc — to be sent

out of the country.

The equipment, which has been declared by the Government to be "war material," is now being shipped to an un-specified company in France which originally delivered it to

a Swedish company in January.
Moments before its scheduled departure last Friday, the crassignment was unexpectedly off-loaded from a French truck and subject to a final verification by

customs authorities.

The cargo is thought to include computer/optical devices needed to build advanced integrated circuits.

### **Swiss exports** of chemicals surge ahead

By John Wicks in Zurich

EXPORTS OF the Swiss chemical industry have been growing rapidly this year so far, according to a report issued by the trade association SGCI in foreign sales went up by as much as 14.4 per cent to some SwFr 3.24bn (£1.02bn). At the same time, chemical imports— many of which are further processed by Swiss companies-rose at a rate of 14.9 per cent to SwFr 1.95bn.

The sharp growth in exports is due not only to the overall improvement in the world economy but also to the lifting of crop-acreage restrictions in the United States. Largely as a result of this change in American agricultural policy. Swiss exports of agro-chemicals jumped by 55.5 per cent in the first three months to SwFr 289.8m.

The SGCI annual report says that last year turned out better than had been expected: a 4.6 per cent rise in industry turnover arose largely from an increase in chemical exports by 58 per cent to just over SwFr 11.5bn.

However, the association expresses considerable concern at the balance-of-payments difficulties of a number of important customer nations

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# Japanese increase diesel car sales to Western Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

JAPANESE MANUFACTURERS have increased substantially the of Japanese cars sold with diesel number of diesel cars they send to Western Europe, according to an analysis by Chase Econometrics, the London-based industry information consultants.

Faced with restrictions on the volume of cars they can send to many European markets, the Japanese have been trying to push up the value per vehicle. Diesel cars cost more than those with petrol en-

gines.
The Japanese already produce about half the world's small diesel engines, not only those for cars but ilso those for marine, agricultural and industrial applications.

Chase Econometrics says: "The technology of the latest Japanese liesels is highly advanced, with electronically controlled fuel injec-tion and turbo power much in evi-

Chase Econometrics has built up a detailed database of car sales statistics in Europe, known as EPV. It compiles statistics for each country as soon as they are officially avail-

The statistics show, for example, that in Belgium, where the Japa-nese have built up a market share

### Saudia, Boeing in talks over large order

By Michael Donne, SAUDIA, THE Saudi Arabian airline, is understod to be negotiating with Boeing of the U.S. for a major pur-case of Boeing 747-300 "strethced upper deck" Jumbo jets.

The numbers of aircraft in-volved are not disclosed, but

one report has suggested that Saudia may be interested in as many as 10 aircraft, worth

over \$10m.

The airline currently has a long-haul fleet primarily consisting of some 11 Jumbo jets and 17 Lockheed Tri-Stars. Many of the latter have been in service for some time, and will need replacing in the last hair of this decade. this decade. ... ... ... ... ...Saudia is believed to be discussing delivieries from 1985

onwards.
The stretched upper-deck Jumbos would have a seating capacity of 392 passengers, and they would be used on routes to Europe, North America and the Far East.

### Channon begins Moscow talks

Mr Paul Channon, Britain's Trade Minister counterpart, Mr Nikolai Patolichev, yesterday began talks aimed at increasing trade in machinery for the oil, consumer goods, machinery and paper indus-tries, the Tass news agency, said, AP reports from Moscow.

Mr Channon arrived Satur-day on a seven-day visit leading a delegation that meets with Soviet trade representatives each year. Britain had a trade deficit with the Soviet Union last year of £475m, compared with £52m in 1982.

Western diplomats said Channon would ask Moscow to buy more British goods, particularly machinery, help ease the deficit.

Ozal flies to Libya Mr Turgut Ozal, the Turkish prime minister, flew to Libya yesterday evening at the start of a three-day official visit to boost Turkish exports and resolve problems over a \$700m payments backlog to Turkish contracting com-panies working in the country, David Barchard reports from Ankara.

of about 23 per cent, the proportion engines has been increasing even

Nissan's diesel car sales have jumped from 20 per cent to 40 per cent of the company's total between the last quarter of 1982 and the same period of 1983.

One in four of the Toyota cars sold in Belgium is now diesel powered, against 13 per cent in 1982.

French and West German car makers will be watching the Japa-nese progress carefully," Chase

Volkswagen of West Germany is the leading diesel car producer in Europe and sold over 1m diesel versions of the Golf between 1978 and

Peugeot depends on diesels for 50 per cent of its sales in Belgium and has much to lose from the Japanese

build-up in that market.

Ford of Europe has only recently entered the small diesel car busi-Escort models. Over £100m (\$138m) was spent by Ford to put the engine

ness with the production of a 1.6 li-tre diesel at its Dagenham plant in the UK for fitting to the Fiesta and

### **Brock says** U.S. buying more Third World goods

S. IMPORTS of manufactured goods from developing coun-tries should rise to about \$600n this year, nearly twice what the whole industrialised world spends on overseas aid. Mr William Brock, President Reagon's chief trade adviser said here yesterday.

this is a sharp increase on the \$36bu spent by the U.S. on developing countries' goods in 1982 which was still half the manufactured exports of those countries, he said.

An end to trade restrictions was essential if developing countries were to be able to repay their debts.

It is an act of insanity to say to a debtor country that it can pay its debts if we don't buy its product," he told an economic seminar organised by the St Gallen Graduate School.

Mr Brock singled out Japan for discriminatory trade practices. It was only taking 10 per cent of developing country exports. "That can and must be improved." he said.

improved. He said.
Increased flows of direct investment and policies designed to improve capital formation were also needed

SARAKREEK HOLDING NV ந்ரி Herengracht 595, Amsterdam.

Dividend for the year 1983.

At the Annual General Meeting of Shareholders, held on 21st May 1984, the dividend for the financial year of 1983 was agreed at f 7,75 in cash per ordinary share of

This dividend is the guilder equivalent

As from the 30th May 1984, and following the 25% Netherlands dividend tax deductions, f 5,8125 per share will be payable, on submission of coupon no. 9 to:

- Amsterdam-Rotterdam Bank N.V., Herengracht 597, Amsterdam; -
- J. Henry Schroder Wagg & Co. Ltd., 120 Cheapside, London;
- Crédit Lyonnais S.A., 19 Boulevard des Italiens, Paris; Banque Privée de Gestion Financière,
- 61 rue de Monceau, Paris. Should the coupon be submitted through another bank or broker, the reverse side

must display a company stamp. Holders of CF-shares will be paid through the representative of the institution holding the dividend papers at close of business on 21st May 1984.

The Management Board.

Amsterdam, May 22, 1984.

The Board of Management of Akzo N.V. announces that on May 21st, 1984 the results for the first quarter of 1984 were published-Copies of this quarterly report may be obtained from the London Paying Agents:

Barclays Bank PLC ecurities Services Department 54. Lombard Street London EC3P 3AH

Midland Benk PLC Securities Services Department 110-114 Cannon Street London EC4N 6AA.



Arnhem, May 22nd, 1984



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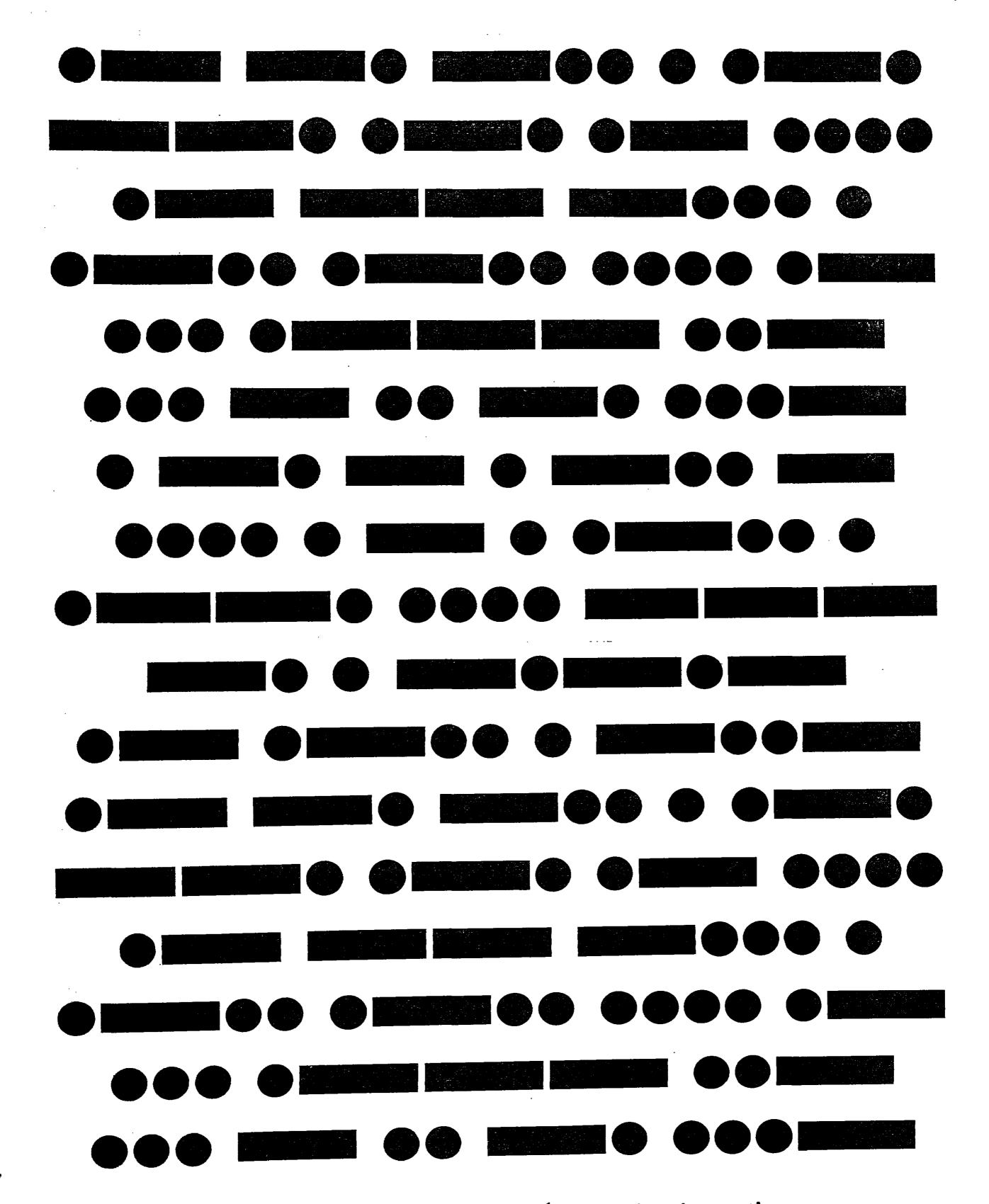
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In 1876, unable to foresee the coming invention of the telephone, thousands of people wasted a lot of time learning Morse code.

# Ulho 15 the U.K.s leading steel profiler?

Steel Stockholders Ltd. of Mossend, Lanarkshire have the largest steel profiling capacity in the U.K. and possibly Europe, undertaking major contracts for oil rig construction and other substantial projects using the latest computer controlled machinery.

Steel Stockholders is the profiling and main stockholding division of London and Northern Group.

Other names in the Group equally well known in their fields include Blackwell/Tractor Shovels, the U.K's leading heavy earthmoving fleet operators; <u>Pauling</u>, established in overseas civil engineering for over

100 years; Edenhall, the U.K's biggest producer of concrete facing bricks, Weatherseal Windows, pioneers and innovators in domestic double glazing and now, United Medical Enterprises, a major force in world healthcare services.

Send for the latest Report and Accounts to find out more about London and Northern, a Group with £226m turnover in 1982, which has increased or maintained its dividend for eighteen years - every year but one since going public in 1963. London and Northern Group PLC, Essex Hall, Essex Street, London WC2R 3TD.Tel: 01-836 9261



# Pit dispute contributes to economic slowdown

BY PHILIP STEPHENS

BRITAIN'S ECONOMIC recovery slowed in the first three months of this year as the fall in consumer spending and the miners' strike hit output of goods and services.

The Central Statistical Office year. (CSO) said yesterday that the output measure of gross domestic product grew by only 0.2 per cent in the first quarter of 1984 to give a provisional index value of 103.5

(1980 = 100).

The almost flat performance contrasted with revised figures showing that between the third and fourth quarters of last year the in-dex jumped by nearly 0.9 per cent. Between 1982 and 1983 as a whole the rise was 2.4 per cent.

of London expectations but not entirely suprising in view of earlier data showing that the recovery in industrial output stalled earlier this

At the same time a 1 per cent fall in consumer spending in the first quarter was reflected in a slight drop in distribution output. The impact of the miners' strike

was felt in the energy sector where a fall in production offset some in-creases in other industries, the CSO

Dr Paul Neild, chief economist at broker Phillips & Drew, calculated that the strike had reduced the in-

The figures were below most City dex by around 0.25 percentage points over the three month period. Despite some disappointment with the figures, however, most analysts still believe that the economy is on target to achieve real growth of around 3 per cent this year.

Recent statistics have shown a strong pick-up in consumer spending since the end of March, while exports and investment are also showing strong signs of recovery.

The output measure of GDP traditionally grows less fast than the average measure on which the Government bases its economic forecasts. This includes data on incomes and expenditure as well as

# Seamen to strike over privatisation

BY OUR LABOUR STAFF

(NUS) is to stage a 48-hour strike in holidaymakers.

Mr Slater sain

general secretary, said it would shot as far as the NUS executive is take place mid-week, probably next concerned."

THE NATIONAL Union of Seamen month, to avoid inconveniencing Mr Slater said: "We want to get

ealink ferry service.

the support of the public. We are determined to keep Sealink in the hands of the public and the taxpaystrike, but Mr Jim Slater, the NUS er. This is intended as a warning

The strike is expected to affect all sailings to the European Continent

and to Ireland. In his opening address to the NUS conference, Mr Slater said that the Trade Union Congress must wake up to what the Govern-ment was doing to workers in the

# Coal strike peace attempt founders on eve of joint talks

BY DAVID BRINDLE, LABOUR STAFF

A MOVE to bring together the Nathat butcher of British industry, Mrtional Coal Board (NCB) and the lan MacGregor." National Union of Mineworkers (NUM) for talks on the 10-week coal

Arrangements had been made We remain willing to do so - at any secretly through an intermediary time. for a meeting today at a London ho-tel. But the move foundered on the itiative overshadowed the efforts question of preconditions for negotiation.

Mr Ian MacGregor; chairman of the NCB, said: "We were asked by an intermediary, who had held dis- ic formula for an end to the dispute. cussions with both sides, whether but hoped he could still be the catawe would be prepared to meet the leaders of the NUM without precommitment on either side.

"The NCB agreed and arrange-ments were made for a meeting tomorrow morning. We understood from the intermediary that the NUM could not give an assurance that they would withdraw their pre- o Miners who have continued to vious conditions."

Mr Arthur Scargill, president of the NUM, said the NUM had told the intermediary that the union was willing to meet at any time with the board to discuss the future of the mining industry, but was not willing to negotiate pit closures or

The coal board's plans for the clo-sure of about 20 pits with the loss of an estimated 20,000 jobs led to the

Mr MacGregor said it was untrue that the NCB had refused to attend strike failed at the last hurdle yes- the talks. We were willing to have discussions without preconditions.

> yesterday of Mr Stan Orme, the Labour Party's energy spokesman, to bring both sides to the negotiating table. Mr Orme said he had no maglyst for the start of talks.

Mr MacGregor, who did not ap pear enthusiastic about Mr Orme's endeavours, said: "Mr Scargill doesn't need any intermediaries. He can come here any time, provided he doesn't try to tell us what to decide before we meet."

work in Lancashire in north-west England are to be suspended from union membership for five years, their NUM area executive decided yesterday. About 1,000 miners are likely to be affected by the suspen-

sion.
Mr Sid Vincent, area general sec-retary of the NUM, said: "We view it as a very serious offence to disobey a national instruction and a conference decision for a strike. We hope an estimated 20,000 jobs led to the it might bring them round to our strike.

Mr Scargill said: "The coal board's decision to pull out of to-board's decision to board's decision to board's decision to board's decision to board

marrow's talks should show not wried two to one against a strike in only mineworkers, but the British a coalfield ballot. But after the area public as a whole, that the culprit was split, with some miners on responsible for this dispute, which strike and others not, the area exis costing taxpayers £25m a day, is ecutive declared the strike official.

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Or page the Oracle, page 376.

Looking after London's livelihood

### IMPORTANT NOTICE FOR **DEBENTUREHOLDERS**

K mart (Australia) Properties Finance Limited (incorporated in Bermada)

7%% Trust Debeutures due December 15, 1984 (the "Debentures") (subject to extension to September 15, 2002)

Further to the notice of April 11, 1984, which announced the intention of Orion Royal Bank Limited, on behalf of G. J. Coles & Coy. Limited, to make an offer to acquire all the Debentures which on September 15, 1984 are outstanding, at a price and on the conditions stated therein, please note that copies of the document setting out the details of the offer will be available for collection from June 1, 1984 at the

> Orion Royal Bank Limited, . I London Wall, London EC2Y 5JX.

Citibank (Luxembourg) S.A., 16 Avenue Marie Thérèse. Luxembourg.

May 22, 1984

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Orion Royal Bank Limited

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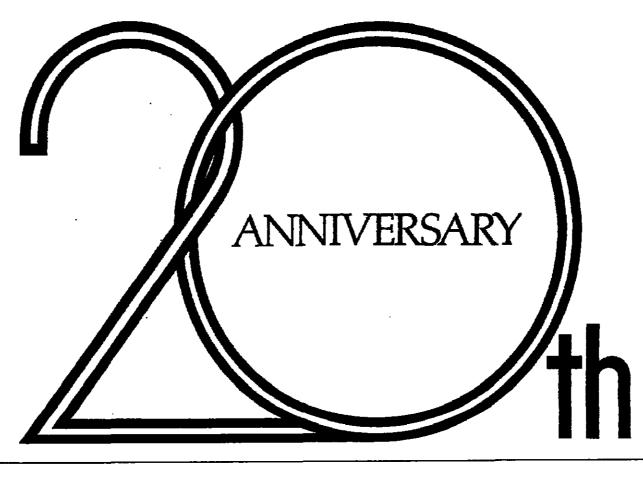
B329 Hurwell Laboratory, UKAEA, Oxfordshire OX11 0RA. Telephone Abingdon (0235) 24141 extension 2600 Please send information to

United Kingdom Atomic Energy Authority

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This is 1984, and if you're busy learning this, you're making exactly the same mistake. Stop learning how to become a machine. Apple has just invented Macintosh.





This year Nomura celebrate in the Square Mile. We lool

# THE FUTURE

1984

1981

1973

<u>1970</u>

1964

Nomura Securities initiates operations in London with the establishment of a representative office.

We established our international base the very first year after our founding with the opening of an office in New York. Following this, Nomura continued during the 1950s and 1960s in the active expansion of its sales network with the opening of offices in Europe and Asia. The opening of our London office signaled the first step in Nomura's advance into the European market.

Nomura upgrades the London representative office to branch status.

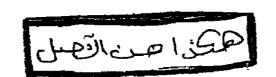
This development was in response to six years of successful growth in operations as well as changes in investment demand. The major purpose of the change was to enable Nomura to place more emphasis on sales activities. At the time the European financial markets were in the midst of very rapid growth with direct procurement and accumulation of capital from the United States as well as Eurodollars and oil dollars. Against this backdrop, Nomura went on to show enviable growth.

Nomura reorganises the London and Amsterdam branches into a new company, Nomura Europe N.V. with the head office in Amsterdam and its branch in London.

Nomura Europe was the first company

incorporated in Europe by Nomura, and its establishment represents an epoch-making accomplishment in Nomura's London history. As is wellknown, the intricate European market is the most international and liberalised of the world's financial markets. Nomura however had been forced to restrict its activities in Europe because the company was governed by Japanese laws which prohibited companies from combining securities and banking activities. But with the establishment of Nomura Europe, we realised our first opportunity to undertake activities which took full advantage of the merits of the European market. At this time, through the addition of merchant. banking functions, Nomura was able to embark on the road to becoming a full financial services company.

Nomura establishes company, Nomura Inte ed, in order to expand it Europe and to meet growing den for the whole range of financial ser-including both securities and bank Among the many activities of Non is our complete securities ser which includes brokering and trac of both Japanese and internation of both Japanese and internation securities, inferentially and investment of seling services. Nomura is organ, into divisions assigned to design area, such as stocks, bonds, and insured services, and new line issues. Each division has a service and new line issues. Each division has a service and new line issues. Each division has a service and new line issues. issues. Each division has i of experts ready to serve cli For example, each member division has had between years experience in handling counts in Japan before com London, and each thus bring him an expertise in investment asis. These account executives polinvestors in Europe with the most to-date and accurate information well as analysis a gained from the Nomina beau Nomina aces national



nty successful years of steady growth in the City. For us, this year is a proud milestone vard to many more years of providing even better service to our friends and clients.

The 1980s have brought impressive changes in the demand picture for international investment. In a phrase, the changes have been toward diversification in international investment. Reflecting the stagnation in the economies of the European countries, there has been a mounting interest among European investors to seek opportunities in countries outside of Europe MITU file filost soastiken fect venture businesses of the United States, and in the developing countries of Pacific Basin: Japan, in particular, with its reputation for economic stability, has been the focus of investor demand. In 1986 alone, over 10 billion dollars in new fund money found its way into the Japanese stocks and bonds markets. The changing patterns of investment and the internationalisation of the Japanese market have made Nomura's role in Europe increasingly important. Standing behind Norman's activity and supporting it at all times is the Nomura Group of companies around Nomura Securities. The Group is made up of ten companies in Japan and offices in twenty countries around the world. In 1980, the Group had a antal capitalisation of over 1.6 billion dollars and more than 10,000 employees. Nomura Securities, at the centre of the group, is the largest securities firm in Japan. In 1983, it had gross sales of ¥290 billion, posting operating profits of ¥110 billion. Nomura Securities has grown to become a major financial services organisation, on a par with the largest in the world. Sales ligures for 1980 show that on the Tokyo Stock Exchange, the world's second largest, Nomina Securities was responsible for 18% (96,568 billion) of total volume (¥36,490 hillion) for stocks, and 27% (¥1,046 billion) of the total (¥3,874 billion) for domestic bands. Domestically in Japan, in addition to its predominance in brokerage, trading, underwriting, and the investment banking businesses, the company was

For a financial services company to ensure the increase of its sales strength in today's world, it must have at its disposal both superior capabilities in investigation and analysis, as well as a communications network to utilise those capabilities. In the Nomina

by far and away the top performer in

the area of investment counseling.

Group today, there are three major organisations which specialise in research, development, and the provision of information. They are the Nomura Research Institue, Nomura Computer System Co., Ltd., and Nomura Investment Management Co., Ltd. Since its inception, Nomura has consistently placed research and analysis alongside internationalisation as pillars of its management operations.

Nomura Research Institute (NRI) was established in 1965 as part of this management policy to specialise in serving the group's research and analysis needs. With a staff of now over 500, Nomura Research Institute is recognised domestically and throughout the world as Japan's most authoritative think tank carrying out research and analysis not only in economics, but also in other fields in the social, natural, and life sciences.

Nomura also has a sterling record in the area of investment management. First under the charge of Nomura Securities and NRI, the work of this area of our business was consolidated into a new company, Nomura Investment Management (NIMCO). Founded in 1981, Nomura Investment Management has the support of the Nomura Group's strong capabilities in research and analysis in carrying out its mission to keep a watchful eye on economic trends in different countries and provide institutional and individual investors with even more accurate forecasting of investment opportunities. in addition, with specialists assigned to specific investment areas such as portfolio management, Nomura is able to provide information services on the latest market trends and counseling in investment strategy.

In order to make the most effective use of information obtained through its research and analysis activities, Nomura began early in its efforts to develop an information system. As part of these efforts, Nomura Computer Services was established in 1966 to take responsibility for the data processing and software development needs of the Nomura Group. Since then, Nomura Computer Systems has worked together with Nomura Securities to develop the most advanced computer systems of the day and has contributed much to both the growth of the Nomura Group's information capabilities and to the improvement in our level of services to clients. Nomura has thus gathered together a strong pool of business acumen with capabilities in investigation, analysis, and information from which to draw upon in our sales efforts, and a network which spans the world. It has become a truly international, full-service financial serIn the twenty years since the opening of our London office, Nomura has always directed its efforts towards serving the needs of its investor clients, providing a wide range of research, investment advice, and other investment services. Building on its experience, Nomura's goal is to take further steps to contribute to the international investment community. To that end, Nomura has defined its direction to demonstrate thoroughly the pioneering spirit which, as the guiding policy since its founding, has led its rise to success.

Nomura's international prowess will be in even greater demand in the present world where international investment is becoming increasingly more diversified, and where we can expect growing interest by international investors in the Japanese market. Nomura has already made major contributions as a pioneer in the internationalisation of Japan's capital markets since the Second World War. Since 1970, when Nomura was the major partner in arranging the first post-war foreign bond issue by the Asian Development Bank, Nomura has managed over 150 foreign bond offerings. Again, in 1973, Nomura handled the arrangements for listing Dow Chemical on the Tokyo Stock Exchange, and since then it has held the initiative in listing non-Japanese company stocks on the Tokyo Stock Exchange. At the same time, Nomura has been a leader in supporting efforts of Japanese firms to 1961, Nomura was the underwriter for the Sony Corporation's ADR issue, the first by a Japanese firm. A year later, Nomura underwrote the foreign convertible debenture issue for Mitsubishi Heavy Industries, the first such borrowing by a Japanese firm.

With this record of accomplishment, Nomura plans to promote actively the internationalisation of the Japanese investment market. The company is able to provide services for stocks whether or not they are listed on the Tokyo Exchange, and because the company handles nearly one third of the volume traded in Japan, it is in a unique position to serve fully the needs of the international investor interested in the Japanese market.

Nomura's complete information services also provide important assistance to non-Japanese organisations and enterprises which are interested in capital procurement opportunities on the capital markets of Japan. In Europe, Nomura acts as a banker, and it is moving to further these functions in various lending arrangements to become a full-scale merchant bank as well.

Nomura is prepared to commit major resources and capabilities to the development of venture businesses. The company has developed excellent capabilities in research and analysis for venture businesses, and has built up a very successful record. The company is interested in developing further this area of business and to that end has brought its pioneering policy of being first to the service of product development. For example, the mediumterm government bonds developed by Nomura combine high liquidity with high interest return on investment. This new savings method has resulted in a very large increase in the number of individuals whom Nomura serves. Nomura's strength in this area is evidenced by the nearly 31% share of the \$128 billion worth of medium-term bonds issued in 1982. Another financial instrument, the GENSAKI (bonds transacted on the condition that they be bought or sold after a specified period), have had a major impact on the development of the short-term financial markets in Japan. Their volume grew more than threefold between 1975 and 1980, to a level of approximately \tilde{5}5 trillion. Nomura's GENSAKI account for 27% of this volume.

Nomura plans to continue to concentrate on the development of new products. It almost goes without saying that the success the company has enjoyed in the past has been due largely to Nomura's superior capabilities in analysis and forecasting of market trends and investment demand. In this area as well, Nomura has always been well ahead of the competition, laying the groundwork and developing the market through such innovative activities as the establishment of the Nomura Research Institute as an organisation specifically charged with responsibility for investigation and analysis. Nomura has invested large resources and labor in the development of its information systems so that it may use to maximum efficiency the data base created by the research and analysis activities of all members of the Nomura Group. In 1953, Nomura was the first private company in Japan to install a computer, and in 1970 Japan's first computerised online system was developed by Nomura Securities and Nomura Computer Systems.

Today Nomura has four information systems: CUSTOM, COSMOS, COM-PASS, and CAPITAL. Among these, investors have shown special interest and excitement in the CAPITAL system. CAPITAL is an investment infor mation system made up of eight services: executive information, information on the economic and financial environment, foreign exchange information, finance, public corporation bond information, bond simulation, analysis of the assets of financial institutions, and information on stocks. These information services are updated evey morning, and users are able to obtain information freely via dedicated terminals installed in their own offices. In 1983, Nomura installed CAPITAL to link Tokyo, New York, London, and Hong Kong and offer English language investment information services to investors throughout the world. Through this system, users across the globe now have the same service as those in Japan in having real time access to the latest information on the Japanese market. With the CAPITAL service, it is now possible for foreign investors and Nomura to jointly carry out portfolio analysis and portfolio management through terminals installed in the investor's own office. Nomura plans further improvements in the CAPITAL. online information network, and will upgrade its financial services through the scheduled launch in 1985 of an online service outside of Japan which will link the banking and securities

functions of Nomura.

In order to expand further its operations overseas, Nomura will be increasing local employment in each office, and will be looking for executives with the right qualifications to fill director positions. Nomura has always believed that people are the cornerstone of the firm, and is convinced that the nurturing of its staff from many nations lies at the core of Nomura's future of strong growth internationally. Nomura will strive to achieve the goals outlined here, and fulfill its obligations as an international, full-service, financial

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### Notice of Redemption

### Dow Corning Overseas Capital Company N.V. 8½ PER CENT. GUARANTEED DEBENTURES DUE 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 15, 1971 under which the above described Debentures were issued. Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn for redemption on June 15, 1984 through the operation of the Mandatory Redemption Provision of the said Indenture, \$2,118,000 principal amount of Debentures of the said issue, bearing the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT

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The Debentures specified above are to be redeemed for the said Mandatory Redem the Broker Services Department of Caibank, N.A., 111 Wall Street - 5th Floor, New York, New York 10043, and the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (City Office), Milan, Paris, Citibank (Belgium) S.A., Brussels, or Banque Internationale a Luxembourg, Luxembourg, as the Company's paying agents, and will become due and payable on June 15, 1984 at the redemption price of 100 per cent. of the principal amount thereof. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the

redemption date. It such coupons are not attached payment will be made only upon the delivery to the Paying Agent of funds in the amount of the unmatured missing coupons. The coupons due June 15, 1984 should be presented for payment in the usual manner.

For DOW CORNING OVERSEAS CAPITAL COMPANY N.V. By CITIBANK, N.A.

May 15, 198-i

Factory area: 528% increase over 6 years. e could not have done it

	Without the Corporation's neip Joe Lines, Managing Director, Joseph H Lines & Sons Limited.
Is your	business on
Turnover: 186% increase over 5 years. "I doubt whether we could have set up and	business on he right lines?
expanded without the Corporation's flexible attitude". Bernard Slater, Managing Director, Slater Yendall Limited.	

<del>rer: 329% increase over 3</del> years

Maybe the reason the successful businessmen above wrote their lines was because they liked the way we do business on very different lines from anyone else. If you'd like to know how Redditch can

help your business succeed, 'phone Javne Gannon on Redditch (0527) 64200. A lot of

	successful businessmen are glad they did.
Aren't you ready for Redditch?	Post to: Bernard Ryan, Property Director, Redditch Development Corporation. Holmwood, Plymouth Road North, Redditch, Worcestershire. Telex Redlaw G. 335201. Please arrange for me to have.
	- ARPHAR



The results for the three months ended 31st March 1984, estimated and subject to audit, are compared below with those for the similar period in 1983, which are restated at 31st December 1983 rates of exchange; also shown are the actual results for the full

It must be emphasised that the results for an interim period do not necessarily provide a reliable indication of those for the

	3 Months	3 Months	Actual
	to 31.3.84	to 31.3.83	Year
	Estimate	Estimate	1983
	E millions	£ millions	£ milHons
Net written premiums— General Business	369.6	341.5	1,395.0
Investment Income	53.1	47.5	212.5
General BusinessLong Term Insurance Profits	(72.1)	(39.9)	(150.2)
	1.4	1.1	4.9
Loan Interest	(15.6)	8.7	67.2
	0.4	0.4	1.6
Profit/(Loss) before Tax and Minority Interests Taxation	(16.0)	8.3	65.6
	(7.4)	(3.9)	1.9
Minority Interests and Preference Dividend	0.3	0.5	1.5
Net Profit/(Loss) attributable to Shareholders	(8.9)	11.7	62.2
Principal exchange rates used in translating overseas results— U.S.A. Canada	\$1.44	\$1.4 <b>5</b>	\$1.45
	\$1.84	\$1.81	\$1.81

Net written premiums and investment income increased in sterling terms by 8.2% and 15.9% respectively. Adjusted to exclude the effects of currency fluctuations the increases were 7.4% and 13.1% respectively.

The first quarter result has been dominated by January weather losses costing £18m in the United Kingdom and by a deterioration of £14m in U.S. commercial lines underwriting results.

In the United Kingdom, net written premiums were £125.5m (1983 £125.3m) and there was an underwriting loss of £31.1m (1983 £19.3m loss). The Motor account, influenced by last year's rate increase, produced an underwriting loss sharply reduced at £1.9m (1983 £8.1m loss) but the impact of the weather on the Homeowners and Commercial Property accounts gave rise to losses of £12.6m (1983 £2.7m loss) and £12.5m (1983 £5.4m) to losses of £12.6m (1983 £3.7m loss) and £12.8m (1983 £5.4m loss) respectively. Experience in the Liability classes remains substantially adverse.

In the United States, net written premiums were \$213.6m (1983 \$193.3m) and the operating ratio was 119.53% as compared with 109.84% for the same period last year. On the United Kingdom 109.84% for the same period last year. On the United Kingdom accounting basis, the underwriting loss was £28.8m (1983 £13.8m loss). Weather losses in the period were not significant and personal lines experience showed some modest improvement. Commercial lines, however, were affected by an exceptionally high level of claims incidence and, compounded with ongoing rate inadequacy, produced an operating ratio for these lines which showed a deterioration of fully 28 points.

Elsewhere there were aggregate underwriting losses of £12.2m (1983 £6.8m loss). The deterioration was attributable to a loss of £4.9m in Canada after a modest profit at this stage last year. E.E.C. territories showed little change in the aggregate with a loss of £4.7m, of which £1m arose from severe weather claims. Australia showed improvement although producing an under writing loss, but London market experience remains very adverse. New annual premiums for Life business in the United Kingdom in the 1st quarter of 1984 were £9.1m, an increase of 55% over 1983, while single premiums increased by 153% to £14.4m.

### General Accident Fire & Life Assurance Corporation plc

World Headquarters: Pitheavlis, Perth, Scotland PH2 ONH.

### FT CONFERENCE ON THE **ELECTRONIC OFFICE**

### THRESHOLD OF A NEW ERA

This high-level meeting focusing on the great changes taking place in the professional office will be held at the London Hotel Inter. Continental on 5 & 6 June 1984.

### Topics and speakers include:

The Justification of Technology Investments for the Electronic Office' - Mr Paul Strassmann, Vice President Systems Group, Rank Xerox Corporation.

'What are the Options for Users? - Mr John Lenton, Division Vice President, American Express Europe Ltd

The Computer as the Key to Office Automation' - Mr James Bair, Advanced Functions Manager, Hewlett-Packard Business Development Group

The Telecommunications Supplier's Viewpoint' - Mr Ian MacLean, Chief Executive, Plessey Office Systems Ltd

For further details please contact:

The Financial Times Limited, Conference Organisation Minster House, Arthur Street, London EC4R 9AX Tel: 01-621 1355 (24 hr answering service) Telex: 27347 FTCONF G. Cables: FINCONF LONDON

### **UK NEWS**

# Groups fail to agree terms for launching British dishwasher

BY CARLA RAPOPORT

Five leading UK appliance mak- cent by 1900.

present are imported.

has withdrawn from talks after and design needs. eight months of fruitless negotia-TI-Creda and Thorn EMI.

or even an individual company - knobs and buttons. may decide to press ahead.

bargain were struck tomorrow, at cision, involving one or more of the least 10 to 12 months work would remaining four, can be reached by

AN ATTEMPT TO break the About 7 per cent of UK homes importers grip on the British mar-ket for dishwashers has run into creasing purchases are expected to push this ligure up to about 15 per

ers have failed to agree on a plan to The main problem blocking form a consortium to make the first agreement among the consortium all-British dishwasher. The only members appears to have been the machines available in Britain at difficulty of producing enough models from a single joint factory to One of the five companies, Servis, suit all the companies' marketing

"It's not an easy thing when evtions, leaving Hoover UK, Hotpoint, eryone is competing," said Mr Bri-Il is still possible that the four - Servis. "Everyone wants his own

Hotpoint and Hoover are both All agree, however, that even if a optimistic that some investment de-

be needed before the proposed factory was in production.

In the meantime, importers are
expected to strengthen further their
hold on the market, Imports

The market is particularly eager for progress. But I can't say
hold on the market is proposed for the end of this year.

Mr Jeff Sampson, managing di
rector of Hotpoint, is particularly
eager for progress. But I can't say
hold on the market imports

The market is proposed for the end of this year.

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rector of Hotpoint, is particularly
eager for progress. But I can't say
hold on the market imports

The market is proposed facthe end of this year.

Mr Jeff Sampson, managing di
rector of Hotpoint, is particularly
eager for progress. But I can't say
hold on the market is proposed facthe end of this year.

## Unions tempted into 'no-strike' deals

creasingly willing to sign agreeparticularly in new foreign-owned high-technology factories.

A survey to be conducted by the Union (EPTU) is expected to reveal deals by a number of unions which fall short of a firm no-strike pledge, but contain procedural devices aimed at averting disruption.

its research department to investigate deals done by other unions in an attempt to show that it has been Electronics, and Hitachi.

left-wingers are expected to try to to continue working in a dispute. commit the TUC to opposing nostrike deals.

jumped by almost 70 per cent last problems are clouding how the year after five years of little manufacturing decisions will be

BY BRIAN GROOM, LABOUR STAFF

ments which aim to prevent strikes. there

Some agreements require grievances to be settled by independent, job security: binding arbitration if another avenues fail, such as a deal reached by the General, Municipal and Boilermakers' Union (GMBU) 18 months ago with the Norwegian-owned NEK Cables in Washington New Town, North East-England.

"I would bet my next month's pay that every major union in the country has signed deals like this," said Mr Tom Burlison, GMBU regional

The EPTU executive has ordered

critics, such as the Transport and ods ranging from five days to three General Workers' Union (TGWU).

All major unions are believed to The EPTU will also examine

agreements to discourage disputes restricting strikes, make other con-at the car plant it will build at cessions which the EPTU believes Washington, and the TGWU has of-fered to seek a way of avoiding dis-the canning industry.

BRITISH TRADE unions are in ruption for which ever contractor

does the civil engineering works TGWU dockers in the once-mile-

tant port of Liverpool have agreed that disputes aboard one ship Electrical and Plumbing Trades should not spread across the port, as was once frequent. Engineers, boilermakers, and other unions at Tyne Ship Repair in

South Shields and Wallsend have a four-year-old deal pledging not to strike, in return for guarantees on Many unions, however, are likely to argue that their agreements fall well short of the far-reaching new EPTU deal at Hitachi in Hirwaun,

South Wales, which states that all disputes must be resolved 'without lockouts and without any form of industrial action." Many of the EPTU deals end in binding arbitration, often of the "pendulum" type, in which an arbi-

trator must come down wholly on one side or the other. Not all employers want arbitra-tion because it would allow an outsider to decide their wage costs.

unfairly singled out in the growing Many deals by other unions are row over its own "no strike" deals in a grey area, not ruling out dis-Many deals by other unions are with Toshiba, Sanyo, Inmos, AB putes but having sophisticated procedures for resolving grievances That argument will come to a peacefully or limiting disruption. head at the Trades Union Congress Rosyth naval dockyard bas an at Brighton in September, when agreement allowing key personnel

NSK Bearings of Peterlee, north east England, has a seven-day Most of the deals aimed at curb- "cooling off" period before industriing disruptions involve right-wing al action can be taken if negotiaunions, such as the GMBU and the tions, and conciliation or urbitra-Amalgamated Union of Engineer-ing Workers. Interest will focus on vice, cannot resolve a dispute. Othwhat the EPTU can pin on its main er companies have cooling off peri-

have offered Nissan procedural single union deals which, while not

# Thatcher presents Anglo-Dutch awards

BY JAMES MCDONALD

A LAGER BREWER and an exporter of plant tissue technology were among the winners of Anglo-Dutch awards for enterprise presented in company winner was Twyford London yesterday by Mrs Margaret Plant Laboratories, the biotechnolo-

The awards, created by the Neth-

Dutch Breweries Breda-Oranje-Dutch Breweries Breda-Oranje Denny Brothers Printing, of Bury boom, with a certificate of merit for St Edmunds, Suffolk, won the small Schiphol Airport, Amsterdam.

in creating small enterprises. The pany.

runner-up was Logica BV, computer software manufacturers. In the British sector, the large

Thatcher, the British Prime Minis-ter.

gy group based at Somerset in south-west England. It is a world leader in plant tissue culture techerlands-British Chamber of Com-nology. Over 90 per cent of its prodmerce three years ago, were given ucts are exported, with a large part to eight companies, four Dutch and four British, in large and small ner-up in this category was Rumencompany categories.

In the Dutch sector for a large company, the winner was United the English Midlands.

company award for its "Fix-a-Form" Job Creation of Holland won the labelling system and the runner-up small companies award for its work was Hire Foulis, a plant hire com-

EUROPEAN FERRIES PLC

cert 300 and 509 preference shares will then be entitled to only finit me of the concessions. A prochare is assistable setting cert the background to the proposate, and shripping expects for the torther details of the proposate of 30th Rate, 1984 Notice will be invest by the undersuperd of any neither publications issued by company training to the proposals, which will be made available at the company relating to the proposals, which will be made available at the of the desociality company to proposals must be approved at meetings of echolices and to the manner in which the desocials as to the manner in which the desocials as to the manner in which the desocials and the interest will also be interested to give their victions as to the manner in which the despotator company though significant or new preference shares on their Detail of the manner in the training of company though significant or new preference shares on their Detail of the proposary company though significant company though significant therefore. The proposary company though significant company that is the manner of the proposary company though significant company the proposary that the proposary the proposar

# Labour seeks election verdict on Government

THE LABOUR Party is treating the election. This is clear from its manifesto (policy document), which restates in even broader and simpler terms many of the themes of the 1983 election manifesto.

It was emphasised by Mr Neil Kinnock, the party leader, at yes-terday's press conference to launch nifesto. The election, he declared, would be a verdict on the Thatcher Government and on Labour's efforts to show after the 1983 is about jobs and industrial dedebacle, and the self-inflicted wounds that preceded it, that "we are back on our feet marching to

the biggest single campaigning is-sue. The fundamental change in its call for Community resources to be



Mr Neil Kinnock

policy on Europe - the relegation of withdrawal from the EEC from an urgent commitment to merely one of several options - is mentioned only on the penultimate page of the

The manifesto blames EEC membership for speeding up Britain's economic decline. "It has cost Britain jobs; it has helped to reduce our

standard of living," it says. The framework of policy for the European elections it adds, is set by the programme on which Labour fought the general election. However, our programme is not static." It would respond to current probiems and concerns.

Britain, the manifesto says, will remain an EEC member for the term of the next European Parliament. "At the end of that time, Britain will have been a member of the EEC for 15 years - and this will be way our economy works and our po-litical relations overseas. But we al-cratic freedoms." ture of the changes we wish to see made in the EEC and that its rules may stand in the way of a Labour government when it acts to cut un-

"It is in this context that we believe that Britain, like all member states, must retain the option of withdrawal from the EEC."

Pressed on this point yesterday, Mr Kinnock said the next Labour government would base its decision on whether Britain should stay in the EEC on two considerations: whether it was possible to get the burden of the food bill off British backs"; and whether it would be possible to stem the outflow of jobs and investment from Britain.

But, he added, the years of EEC membership had altered Britain's trading and economic relations and the party would have to calculate carefully where the advantage to

Mr Kinnock said that if fundamental reforms could be achieved

European elections as its second such as a massive transfer from ag-chance to fight the 1983 general ricultural spending to spending ricultural spending to spending through the regional and social funds - Britain's advantage might well lie in a bigger overall EEC budget though there could be no in-

crease in its net contributions. On the question of the EEC budget, the manifesto insists that the issue of UK contributions is a necessary, but only preliminary hurdle. The real issue is how the money is spent," it says. "The real crisis

"What Britain needs, and what the people of Europe need, is a the next general election, whenever it may be."

As in 1983, the party singles out unemployment and job creation as strategy that gives priority to rebuilding and reinvesting in our countries. And unless the reforms we demand are carried through, La-

> The "real" issues in the elections. the manifesto insists, are unemployment, health and social serindustrial regeneration through investment and modernisation, and food prices.

Priority is given to unemployment. The manifesto calls for a to mainly stresses what has been sharp increase in EEC spending on achieved so far, rather than the industry and jobs and sets out a 10- continuing disagreements about

 Public spending on housing, urban renewal and transport.

 Investment in industry, especial ly high technology industries and co-operative ventures such as the Esprit programme and the Airbus. Encouragement of work co-op-

 Investment in training and retraining, especially for young peo-

ple, women and blacks. Investment in depressed regions.
 Investment of North Sea oil revenues in Britain.

• Refusal to join the European Monetary System which would make British goods even less competitive than now," while pressing the rest of the EEC to accept "the sensible planning of trade so as to protect economic expansion A 35-hour week without loss of

A new energy policy, including development of the British coal in-

dustry.

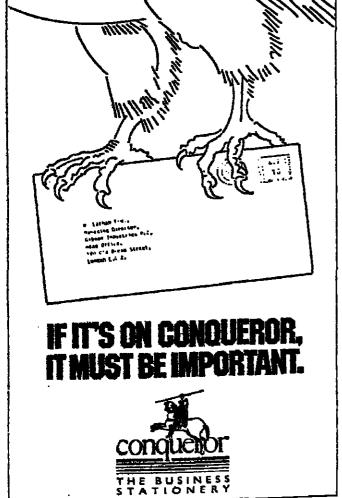
Industrial democracy, as set out in the Vredeling proposals.

The "attack on the welfare state," which figured so prominently in La bour's 1983 campaign, is set in a Eu-ropean context. "In Britain, as in Europe, the crisis brought on by reactionary Tory governments reflected in our pattern of trade, the threatens not only our jobs but also

The manifesto in British National Health Service, created by Labour, must not be de stroyed. It calls for improved social service benefits, equal opportunities for women, environmental pro-tection, defence of wildlife, better public transport and wider democ racy, including repeal in Britain of 1972 European Communities

The manifesto calls for a new food policy, based on a fundamental reform of the Common Agricultural Policy. The new policy, it insists must put an end to high food prices lift the burden of agricultural subsidies from the shoppers; end the system of farm support that leads Common Market to cheaper food

from elsewhere. The reforms should also, it says, guarantee a decent living for farm workers and farmers who work in the worst conditions, protect Britain's fishing industry and safeguard the environment



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WIGGINS TEAPE

# Tories say Britain strengthens Europe

A STRONG assertion of Britain's Britain's contribution and the disinterests within the European Community and opposition to any moves towards a federal Europe form the centrepiece of the Con-servative Party's manifesto for the European elections.

At a press conference in London to launch the party's manifesto (policy document), The Strong Voice in Europe," Mrs Margaret Thatcher, the Prime Minister, claimed that it was "the Conservative Government which is fighting for Britain's interests in Europe and which believes both in Europe and in a strong British voice and representation in Eu-

She said: "The Euro-fanatics want to see the British character submerged in Europe. Not this par-ty. We believe Britain has a contribution to make to Europe just because we have our own distinctive national history and character. The Euro-phobes want to see

ty. We believe Britain is stronger in Europe and Europe is stronger because Britain is in. The manifesto contains little that is new. It primarily consists of a defence of the Conservative record since 1979, coupled with caution

Britain out of Europe. Not this par-

On the EEC budget, the manifes-

about new institutional develop-

tribution of expenditure. Mrs Thatcher gave no hint yesterday about any breakthrough in

the talks ahead of the next EEC heads of government summit at the end of June, apart from referring to "a reasonable hope of getting a deal

She said that the £2bn received so far was "an earnest of good faith" and a "good reference for negotia-

tions in the future." She noted that

remains under regular review. We should only take that step when the conditions are right, both for us and forms in the workings of the Comfor our partners. We support the inmunity institutions. But we do not should be discussed through Nato. creasing commercial use of the European Currency Unit in Community trade and finance."

At yesterday's press conference, Sir Geoffrey Howe, the Foreign Secretary, refused to say when conditions might be "right" for sterling's full entry into the EMS. However, he did note that "increased

support attempts to force the pace of institutional reform, especially in ways which might jeopardise the defence of genuinely vital national interests or which would not com-

mon agreement and public sup-In particular, Mrs Thatcher made

mand the necessary degree of com-

The Conservative and Labour parties yesterday published their policy documents for the European elections. Voting takes place in 79 UK constituences on June 14 – the Tories won 60 seats and Labour 17 at the last election. **Peter Riddell** reports on the Conservatives' policy and (left) Margaret Van Hattem describes Labour's.

agreed but not paid.
The manifesto claims that Britain

has won agreement that there must be a fairer Community budget system. We have won Community agreement that there must be effective and guaranteed control of spending, including agriculture." On the monetary side, the Con-

nancial conditions." The manifesto says: "The question of sterling participation in the exchange rate mechanism of the European Monetary System (EMS)

stability in terms of relative inflation rates is taking us in the right direction."

Sir Geoffrey denied any link between EMS and the budget controversy. He pointed out that, as a petro-currency, sterling had been subject to particularly wide variations since 1979. If sterling had been in EMS since then "the number of parity changes would have been very substantially larger than those that took place." But condiservatives "support the objectives of more stable exchange rates and tions were progressively getting

> The manifesto is cautious about suggestions for strengthening the

it plain yesterday that she wanted to retain, where necessary, the principle of unanimity on the Council of Ministers. She wanted "to

keep the veto as now. It should not be weakened in any way. It is important for Britain to have the veto to have a greater influence in Eu-Similarly, Mrs Thatcher said she opposed any increase in the powers of the European Parliament. "The balance is right at the moment.

Most of the major decisions are agreed separately by our govern-

collective decision-making of the ed suggestions for a European ar-

elsewhere in Europe for enhancing the European dimension in the context of the Western European Union. She said she was "perfectly happy" for these talks to continue if and the environment is also men-

siveness of Nato. stress on removing obstacles to tical answers to the problem of acid trade in both goods and services rain. within the Community, together on agriculture, the manifesto with the enforcement of fair Comsays that "Conservatives recognise munity competition rules.

Britain, it says, will strive to: ● Eliminate costly delays and bu-reaucracy at frontiers within the Bolicy (CAP) and the part the policy

Make public purchasing

the financial centre of Europe, Promote faster progress towards

● Agree a definite and detailed \*Our new system of budgetary timetable for the removal of non-ta-discipline, combined with the pack- Agree a definite and detailed riff barriers to trade."

EEC. "We welcome practical remy or a European defence commudustries, will seek to remove obsta-The Prime Minister sounded Europe's aerospace industry, and lukewarm about proposals made elsewhere in Europe for enhancing rationalise traditional industries such as steel and shipbuilding on a fair basis."

> Action on energy conservation they strengthened European con-sciousness and added to the cohe-will work for the elimination of lead in petrol for new vehicles by 1990 The manifesto lays particular and for more research to find prac-

the benefits of secure food supplies and more stable prices brought has played in easing difficult social changes in the countryside."

open and competitive,

Oreate a common market for fithe victim of its own success. We nancial and other services, which is must tackle the problems of costs particularly important to Britain as and surpluses now so that it can be placed on a basis which will safeguard the future of a healthy agrimutual recognition of proper pro-fessional qualifications, quality of our rural heritage.

age of measures agreed by agricul-The manifesto also pledges that ture ministers in March this year Britain "will promote common el- marks a significant reform of the forts on research and innovation in, operation of the CAP and a first mafor example, information technolo- jor step towards control of agricul-Mrs Thatcher specifically reject- gy, will encourage training pro- tural spending."

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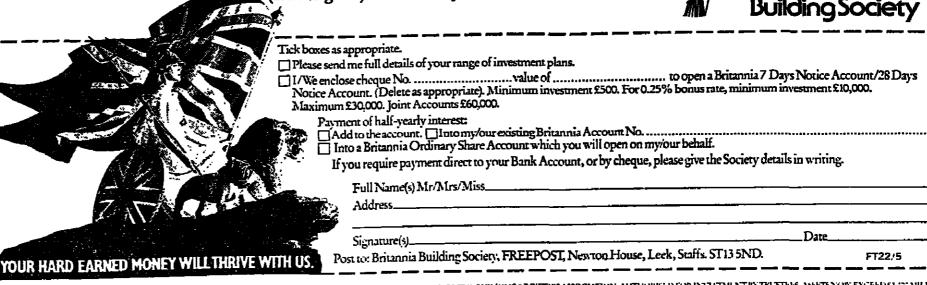
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The Stock Trustee is obliged to make available to Debentureholders information which it believes will be useful to such holders, who from September 15, 1984 through October 15, 1984 may elect either to allow the Debentures to mature on December 15, 1984 or, subject to certain conditions, to extend their maturity to September 15, 2002.

The Stock Trustee has therefore arranged for the preparation of a Booklet containing such information together with detailed information concerning the procedures Debentureholders should follow in electing whether or not to extend the Debentures. This Booklet will be available upon request on and after May 22, 1984 at the offices and addresses stated below:

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DATED at Grand Cayman, B.W.I. this 16th day of May, 1984.

# Oil depletion **'unlikely to** harm economy'

PREDICTIONS THAT Britain will two or three years by a slowdown in serves are depleted are likely to prove groundless, the City University business school says in its latest economic forecast.

In an optimistic review of prosschool says that the rundown in oil reserves will be accompanied by a reversal of the "de-industrialisation" which has occurred since the

Even the most pessimistic as-sumptions for oil production and government oil revenues imply no major crunch for the economy, it

The expected fall in oil production will, cowever, lower the growth rate of the economy as a whole. with the direct impact on gross domestic product (GDP) exacerbated threaten the investment and reby an increase in the real sterling cruitment plans of small compan cost of energy and raw materials. Turning to the outlook over the try (CBI) said yesterday.

face an economic crisis as its oil re-real earnings growth which should offset the impact of smaller productivity gains.

There are, however, substantial risks that inflation could pick up momentum because of the laxnes. pects for the economy during the of the Government's money supply rest of this century the business policies, it says.

Consumer expectations of infla-tion have deteriorated significantly since last autumn, and these expectations have a habit of coming true not least because they form the basis of wage bargaining.

The business school predicts a small fall in unemployment next year, but it expects much faster reductions later in the decade as real earnings stabilise and output continues to grow.

the Confederation of British Indus-

next few years, the review says that economic growth is likely to remain strong, but will slow next year before reviving later in the decade.

Inflation is likely to be held at heart arrest leave to be continued to improve had been overshadowed by interest rate

### **BCal** in bid to win Milan service

By Michael Donne, Aerospace

BRITISH CALEDONIAN, the independent airline, is making another bid to win a scheduled service licence between Gatwick and Milan.
Its application is to be heard by the Civil Aviation Authority in Lon-

don today. British Airways, which flies to Milan from Heathrow, is opposing the bid. This will be the fourth attempt by BCal and its predecessor British United to win the Milan route - the first was made in 1962 and further

bids, all unsuccessful, were made in 1973 and 1979. BCal's new application stresses the importance of developing Gat-

wick as an airport for connecting flights. It points out that of the 235 destinations served from London's two airports 199 can be reached from Heathrow, but only 107 from BCal claims that if it is allowed to fly the Gatwick-Milan route, the im-

pact on British Airways' Heathrow-Milan operation would be minimal. BCal already flies to Genoa, and makes frequent charter flights to Milan. If given the route, it would expect to win about 15 per cent of the overall London-Milan market within three years.

# Companies hold the brakes on tea and coffee prices

THE COST of a cup of tea or coffee is to remain stable for the time being, in spite of a recent steep fall in tea auction prices and an equally steep rise in col-fee futures prices.

A 20 per cent fall in London tea auction prices over the last four months might have encour members of the tea set to hope for a substantial reduction in shop prices. The tea companies point out that this fall was from a record level which was never fully reflected in the retail price.

Coffee drinkers, on the other hand, might well be relieved that a 29 per cent rise in the last month on the London collee futures market has not yet forced instant coffee makers to lift their prices. Their relief could be short-lived, however, unless commodity prices for coffee fall substantially from the current 6%

The jars of coffee on super-market shelves at the moment will have been made from beans bought some months ago at rela-tively low prices. If current hean prices hold, the manufacturers will have no option but to raise their selling prices proportion-

London futures prices for cof-fee are more than 49 per cent up from a year ago but some of this rise has already been reflected in the shops – so far this year the price of a 100 gramme jar of Nes-calé has risen 17p to 125p.

Tea market prices have risen even more steeply. Between April 1983 and last Christmas the average price at the weekly London auction went up some 80 per cent to around 250p a kilo.

Then came India's announcement that it was halting exports of CTC (crush, tear and curl) tea in an attempt to bring down prices on its domestic market. This led to a new surge at the London auction which took the average to a record 317p a kilo in

CTC is the type of tea favoured in the British market for its quick-brewing qualities.

The Indian export ban was lifted a week ago, but by then the price had already subsided to its Christmas level and further substantial falls are not anticipated.

The anction price rise has been reflected in a 50 per cent rise in retail prices for packet tea. PG Tips, Britain's favourite bands, part of the control of the con now sells at around 48p for 125 grammes, up from 32p in April

For both ten and coffee, raw materials costs represent around 70 per cent of the selling price. Leaving aside the temporary Indian ban, the main cause of the dramatic increase in tea prices has been a gradual switch in the balance of supply and de-mand. For the last 10 years consumption increases have been running ahead of output increases by 1.5-2 per cent a year, and in 1981 annual world con-

nual production. The main reason for the fast rise in consumption has been increased usage in producing countries, notably ludia, reflect-ing population growth and in-creased prosperity.

If this trend continues a fur-

sumption actually overtook an-

ther upgrading of the retail tea price must be on the cards. This will not be welcomed by the UK tea companies, which are already ooking over their shoulders at the instant coffee producers, who are steadily eroding tea's tradi-tional dominance of the £1.2bn a year British beverage market.

At 100m cups a day British col-fee consumption is now around 50 per cent of tea's compared with about 18 per cent 19 years

ago.

For their part the coffee makers are equally anxious to maintain this progress and will do all they can to avoid widening the price differential against tea.

It is as yet too early to as the effects on consumption of the two beverages of this year's retail price rises. Brooke Bonds has not noticed any fall off in sales but it is wary of reading too much into this as there is a tendency for consumers to respond to a rising market by stocking up their larders.

If this has been the case with tea, larder de-stocking could result in a significant, though temporary, decline in shop sales lat-

### A B.A.T Industries Report

Extracts from the Chairman's Speech at the Annual General Meeting



# Four main activities will contribute to another record year"

PREJIAN PROFITS

Patrick Sheehy, Chairman, B.A.T INDUSTRIES

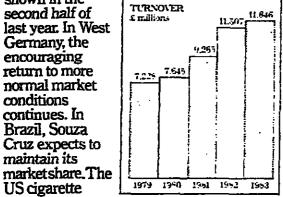
> World economies have strengthened considerably. We will continue to benefit from the improved economic climate which I ioresee lasting through 1984, when I expect our four main activities will contribute to another record year for the Group. Profits from the tobacco business in the first half of 1984 are expected to be

considerably above the comparable

period of 1983, reflecting the recovery shown in the second half of last year. In West Germany, the encouraging return to more normal market conditions continues. In Brazil, Souza Cruz expects to

maintain its

US cigarette



market continues to be highly competitive but Brown & Williamson is well placed to show very satisfactory profits.

Our retailing interests in both

the US and UK 1979 1990 1991 1992 1993 will build on the higher results of the previous year, with additional growth from store expansion in

the US and continuation of the UK's store development and marketing plans.

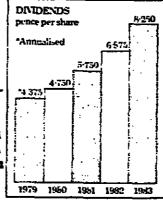
• Wiggins Teape's full-year results should be ahead of 1983. Appleton Papers continues to haild on its excellent perform continues to build on its excellent performance in a US market that is showing strong growth.

 In the Eagle Star insurance business, gross premium income for the first quarter is well up. Grovewood Securities

is on line to achieve an increased profit for the seventeenth consecutive year. Mardon Packaging International is continuing its steady recovery and I expect its profit to be well up on last year. Our cosmetics business will make progress in the more favourable economic conditions. Our important investments in Associated Companies will continue to yield a significant contribution, with Imasco

> again prominent. Granted no major currency fluctuations, I look forward to another satisfactory increase in pre-tax profit, which will again be reflected in a recommendation for a dividend

and AMATIL



# increase. WINDSOR HOUSE 50 VICTORIA STREET LONDON SWIH ONL

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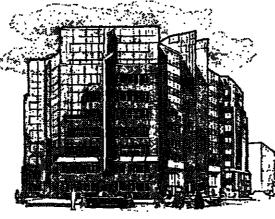
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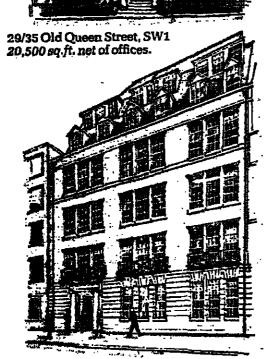
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5 Old Queen Street, SW1 11,700 sq.ft. net of air-conditioned offices.

# Land Securities

Abridged summary of Results for the Year ended 31st March, 1984

	increase	31.3.84	31.3.83
	_%	£'m	£'m
Total Income	5.4	137.7	130.6
Of which: Rental Income	8.8	116.1	106.7
Net rents and Interest Receivable	4.5	103.7	99.2
Net Income before Taxation	7.4	84.0	78.2
Taxation	2.1	33.3	32.6
Earnings after Taxation available for Distribution	11.2	50.7	45.6
*Dividends			
*Dividends per share paid (2.357p) and proposed (4.910p)	10.0	7.267p	6.607p
*Earnings per share	8.1	10.23p	9.46p
Dividend cover – times		1.41	1.43
		<del></del>	

\*where appropriate, adjustments have been made to reflect the two for five capitalisation issue authorised in November, 1983

The Knight Frank & Rutley valuation of the portfolio as at 31st March, 1984, which valued each property individually and in its present state, totalled £2,188.4m, an increase of £160.7m over the valuation at the previous year end. During the period expenditure on properties amounted to £77.2m and the aggregate book value of properties sold was £52.4m. Accordingly, the surplus on revaluation is £135.9m, an increase of 6.6% (1983: 6.4%).

The valuation has been included in the Accounts at 31st March, 1984, and without adjusting for any taxation payable in the event of the properties being sold, the consolidated net assets of the Group at that date amounted to £1,890.3m, on which basis, the fully diluted net asset value per share is 377p.

The results for the year reflect the comments made in recent Directors' Reports on the effect upon net income of the major redevelopment programme. This will continue and, whilst income will be receivable in respect of 33 King William Street and 13/23 Fenchurch Street during the year to 31st March, 1985 only an insignificant contribution is to be anticipated from other developments.

The present development programme contains over one million square feet net of air-conditioned office space in Central London, half of which is let or under offer.

At 31st March, 1984 Group short term funds were £50.9m and capital commitments £55.9m, the latter expenditure to be phased over periods of up to two years.

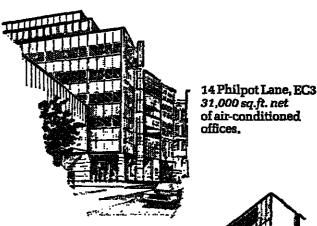
The full Report of the Directors and the Accounts for the year containing an unqualified Report by the Auditors, a detailed property portfolio review, a list of the Group's major property holdings and illustrations of major City, West End and Victoria Schemes will be distributed to Shareholders on 6th June. 1984. Non-shareholders who would like a copy are requested to write to The Secretary:—

LAND SECURITIES PLC

Devonshire House, Piccadilly, London W1X 6BT



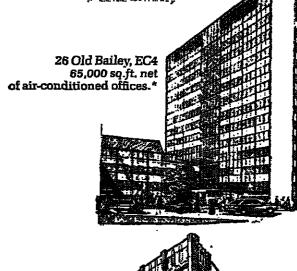
6/12 Fenchurch Street, EC3 51,000 sq.ft. net of air-conditioned offices.



14 Philpot Lane, EC3
31,000 sq.ft. net
of air-conditioned
offices.

ed offices.\*

sq.ft. net of
her.





50 Ludgate Hill, EC4 118,500 sq.ft. net of air-conditioned offices.\*

<sup>\*</sup> These two buildings comprising 183,500 sq.fl. net of air-conditioned offices could be let together.

The first major event of the faces of Don Quixote, the Don 47th Maggio musicale floren-Giovanni three maskers, and tino. directed for the first time other "significant" characters; by Luciano Berio, was Rigo-letto. As all the world must most in the hall, it was imposknow by now, the staging by sible to catch these details, any Yury Lyubimov became the intended significance was focus of much pre-première Florentine scandal, and thereafter of even more national and international scandal.

On the evidence of the third performance, it was hard to see exactly why. The exiled Russian theatre director and his designer, Stefanos Lazaridis, conceived an enactment of the piece against a highly fantastic, surreal background that would be out of place in the average opera house repertory, being too particular in slant and too limited in range to survive the repeated hard usage by changing casts and conductors that would probably make its limitations uncomfortably apparent. As a festival presentation, and despite a musical realisation a good deal less out of the ordinary, it late contributions from the seemed to be a Rigoletto strik- Maggio orchestra (particularly ing, imaginative, and beautiful, the wind) and chorus. But even

ing, imaginative, and beautiful, the wind) and chorus. But even after surviving his baptism by fire Mr Graf had not yet arrived at a performance that guise as a vehicle for the depiction of deeper moral and emotional confusions makes its first important appearance in Verdi (it's a theme he was to develop, in various forms, throughout the rest of his throughout the rest of his role went, finally, to an theatrical creation). Lyubimov's production made me think harder about this theme than any previous Rigoletto had done. The stace of the Teatro Comunale held neither Teatro Comunale held neither Rydl was a burly, voiced Sparafucile, Livia Budai anor the altered, modernised nor the altered, modernised a vivid and touching Maddalena. The Duke and Gilda were been recently in fashion; instead — main cause of all the brouhaha — its space was hung in a great are with mannequin into an archetype of provincial

intended significance was entirely lost.) But that this was a deeply serious production, devised with an originality of viewpoint which never at any point descended to mere per-

versity or a desire to "do something different" at all costs, one was on this occasion left in no doubt. Among the more important upsets on the way to the first night had been the defection of two conductors, first Giuseppe Sinopoli and later Bruno Bartoletti, and also that of Piero Cappuccilli, the originally scheduled Rigoletto. Hans Graf, a young German conduc-

tor of evident experience and competence, did very well to keep so complicated a stageful of singers on a firm rein, and to elicit vivid if not immacu-

**Max Loppert** reports on a Florentine scandal

manner of earlier periods, some appointing coarsening since his masked and figured like "devil Covent Garden Rigoletto some dolls" from an antique theatre years back. The most heartfelt tradition — the costumes, by audience enthusiasm was Lazaridis and Johann Engels, lavished on Edita Gruberova's were in themselves, and in their beroine, but I continue to find dramatic contrasts of colour, a thesaurus of brilliant theatrical

and disturbingly powerful intensity. The play of the main characters remained, by contrast, largely faithful to Liave, and largely successful in its simplicity in spite of a few quirks, and inevitable moments when the disparity between what was seen and what was said began to jar. Gilda, whom Lyubimov claims as a Verdian and altered—afforded some precursor of Chaikovsky's Tatyana, descended from a side-stage spiral staircase and later of the Florence; it was "house touch the proving of the statement of the Florence; it was "house touch the proving of the Florence; it wa displayed in "Caro nome" her lambent emotional innocence while gliding gently upon a large swing (as raptly romantic in effect as the one in Lazaredis-designed ENO Rusalka, though it provoked a absorbed and temporate Florence audience—the alarums and excursions of the première were, happily, a thing of the

Inevitably, there were losses. One missed, despite strong insistence from the producer (in a programme interview) to the contrary, the powerful undercurrents of political and social irony that should form each response to each one of the characters—and which, pace Jonathan Miller and Lyubimov himself, are usually most on a scale and of a sound-type sharply achieved in fashioned productions and perate world shortage, were told that some of the more than a sad, fond memory.

Schumann's later revision) was a perfection of Romantic piano playing, two voices caught in a dream, at once entirely free and wholly commanded, commore than a sad, fond memory.

dolls variously costumed, some prominent dolls carried the in 19th-century formal attire, Italian-tenorisms — most of his some elaborately robed in the singing denoted, in fact, a disher an uneven singer; just as one had given up wondering evice. whether there was anything The movement of these dolls more to her than neatness, and the beams of light upon them set up a framework of less soft ones, and colour-them set up a framework of less soft ones, along would shadowed, dream-haunted suggestiveness against which the deceptions and self-delusions of the libretto could acquire a new that all of Gilda seems summed up in it. Like the whole show, she was wanting in musical finish; but I'd have been sorry to miss either.

For opera travellers in Italy, Rigoletto in Florence and Aida in Venice a few nights later—the first performance of a 1978 pro-duction substantially amplified from Eliahu Inbal; stock gestures from principals and chorus; production (Mauro Bolognini), design Ceroli), and choreography (Geoffrey Cauley) that moved from stock only to sound the depths of the ridiculous whenever any inventiveness was essayed. At times it seemed that everybody connected with the event had conspired to forget that Aida is about any-thing at all other than statu-

esque posturing.
Yet, for all that, it was not a waste of time; for two singers in the cast not yet encountered in London—Nicola Martinucci (Radames) and Natalya Troytskaya in the title role—proved to be possessors of Verdi voices

non to music by the American Antonio Madigan, who also performs as guitarist. Also Echoing of Trumpets to music by Bohuslav Martinu. The choreographer is Antony Tudor. Soloists are Eva Evdokimova, Vladimic Celvan, Lubomic Kaffe and Le

mir Gelvan, Lubomir Kafka and Jan

Royal Opera, Covent Garden: L'elisir

d'amore is the only opera at Covent Garden this week; the latest Doni-

appearances of Sir Geraint Evans, and also includes in its cast Sona

Ghazarian, Luis Lima, and Ingva-

don debut) conducting (240 1066).

English National Opera, Coliseum:

Last performances of the season are the new production (dogged and dull to the eye) of The Sicilian Vespers, a

rare Verdi middle-period opera lent lustre by the singing of Rosalind Plowright and Neil Howlett; and The Magic Flute with Rowland Sid-

Wixell, with Gabriele Bellini (Lon-

Broeckz. (34381).

London Galleries/William Packer

# Blackadder for the Tate!

One of the names that unaccountably I left out of my review in Saturday's paper of the Royal Academy's Summer Show was that of Elizabeth Blackadder, whose set of large still life paintings in watercolour is so spectacular a feature of the Large South Room. But no matter; for it so happens that round the corner in Cork Street, she has filled the Mercury Gallery with much more of her recent work. (until June 16) an exhibition which warrants rather more than passing notice.

For the case which it urges upon us is that Miss Blackadder is not merely a distinctive and delightful painter, but one of the very best we have still at work. She has been working steadily now for some 30 years, and if her talent was always apparent, she has continued nevertheless to apply herself to it, so to grow and develop in her work. She has been getting all the time, and is now a mature artist at the height of her powers, which fact is gratifyingly reflected in the enthusiastic support her work elicits from those (an ever-in-creasing number) who know

it well.

But there is support and support, recognition and recogni-tion: it is all very well to enioy a virtual seli-out (you will need to hurry to be success-ful this time), quite another to have that practical and immediate success given some general critical and, more to the point, curatorial confirmation. old prejudices, and habits of the eye and mind, die very hard, and we live in an age still bedevilled by the expecta-tions of self-conscious modernism in its more puritanical and over-serious aspects, the integrities of significant form.

bourgeois in their interests and years past with the inferior tech-

Cherkassky was on dazzling

form on Sunday afternoon. He began his recital with Beeth-

oven — tentatively, a loving. lyrical account of the first of

the two quasi fantasia sonatas, its allegro molto magnificently

caressed, the adagio tenderly unfolded, flower-like, and a

hand. We know, for example, that the important bass line of

Etude 2, barely audible at its

first occurrence, will be re-discovered like a long-lost

favourite toy at its repeat: it is, sure enough, and we share in the delight. There were many extraordinary visions and trans-

formations: Etude 4, begun as a subtle mesh of chordal

counterpoint, ended as a fierce argument, almost incoherent with anger. In Cherkassky's

vocabulary there is no such concept as "repeat"—merely the opportunity to view the music once more from another



Elizabeth Blackadder

The highest of three high

points after the interval was a

magical, satanic, absolutely marvellous account of Liszt's

Funérailles, essay in pitch-black sonorities, with some half-

pedal witcheries on the final

hauser overture is a sensa-

tional tour de force, cascade

chords that no other pianist

Cherkassky/Festival Hall

**Dominic Gill** 

niques and effects of water colour, to be considered at her worth by so many of those whose job it is to know, and see, better.

But her essential preoccupations of the space established within the space they occupy, with scarcely an over-scrupulous punctile but rather a sufficient description and a deceptively easy assurance: and immediately, without integrities of significant form.
abstraction, mark and surface to
be preserved at all costs against
insidious, hedonistic indulgence.

It is a long time since
Bonnard and Matisse were called
to account for the sublime
irrelevance of being too
hourgeois in their integers and much vaunted painters of the life is spread out across its table imagery; and still how hard it is new expressionism, with their for Miss Blackadder, the painter heavy symbolism, ponderous fans and brica-brac, who compounds her offence moreover, by her preoccupation these 10 does the eye.

Her expressionism, with their top like a map or plan of cambeau symbolism, ponderous paign, leading the eye to dance across and through its mazy spaces, stopping here to take in the lush wash of colour across her preoccupation these 10 does the eye.

Her images are realized and colour for the like a map or plan of cambeau symbolism, ponderous paign, leading the eye to dance across and through its mazy spaces, stopping here to take in the lush wash of colour across the fan's back, here to savour a colden source of Chinese paper.

here a bright thread of silk.
With her flower pieces her world tilts through 90 degrees and we move not so much across as into the surface, through a forest of leaves. fronds and petals; and still we accept that surface as it is, simply a support for delicate and allusory veils of colour. There is no false gesture, no emply or gratuitous finesse, no histrionics: it is simply paint-ing at its purest and its most seductive. It is certainly work of museum quality, and some of the larger works, the splendid still life with flute that dominates the lower gallery, for example, could hold their own in any company. There is as yet nothing of her work in the Tate, nor anything in the Arts Council's collection.

Emma Sergeant, now showing at Agnew's (until June 1), is a young painter who seems to have moved as far and fast in and refreshes the spirit as it the lush wash of colour across having the pick of them, she does the eye.

Her images are realised, and golden square of Chinese paper, her own interest.

three years as Elizabeth Black-adder has in thirty, at least in reputation, and the prices she can command: which makes the can command: which makes the temptation to be scornful hard to resist. But the critic must be fair. What we see at Agnew's interesting enough at least to deserve the show, and suggests considerable promise for development in the artist, if is also clear that if she has not shown too soon, she has certainly shown too much, and, with the larger conversation with the larger conversation pieces, and in a perfectly honourable sense, over-reached herself. For the large figure and portrait group, with the space fully understood and realised, is one of the most difficult undertakings the artist can ever set himself, and in doing so, Miss Sergeant finds herself unable to sustain the herself unable to sustain the vigour of drawing and the freshness of handling that characterise so many of her drawings, studies and smaller paintings. It is more important to get the scale right than to get it big, which process needs time and experience and careful study. Miss Sergeant is no doubt beset of potential and persuasive clients, and at a crucial moment in her career: it is most important for her in having the pick of them, she

### Max Loppert

Pavarotti/Covent Garden

coming Aida, Luciano Pavarotti ful clarity. devoted Sunday evening to a concert of airs and songs in aid or illuminating imagination, of Royal Opera House charities. required with special urgency The Prince and Princess of in a concert of this kind, Wales led the notables in attend-remain on the whole also few. ance: and the tight-packed One is tempted to list the house rose to the singer's white various handkerchief, broad smile, wideflung arms and general air because Alfredo's "Deh, mtel of bonhomie with shows of bollenti spiriti" came out just noisy approval as if to demonstrate that recent Pavarotti forza perderti," and both of disappointments in London had those like the Luisa Miller than antiraly forgatten. been entirely forgotten.

than when last heard here, though at first the voice sounded rather tightly produced in loud high phrases (of which there were a great many throughout the evening), and soft singing (as in Nemorino's romance) was not always smoothly elided into the passage of the music but trembled a little at the ends of phrases. The virtues of Pavarotti's singing have remained constant over a long period, and should

In residence at Covent and strongly defined, words are Garden to prepare for the forth- always pronounced with beauti-

But traces of distinguishing items rather than romance, the Werther strophes (in passable French) or the Gioconda reverie. Pavarotti sang Gluck's "Che faro?" in the proper tenor key of F. but made heavy weather of it.

In fact it was not until the In fact it was not until the encores, and particularly "O sole mio" and "Torna a Sorrento," that genuinc warmth and freedom of style and touch seemed at last to stream from the platform. Garcia Navarro, in charge of the ROH orchestra, gave reasonable support all the way through as he did (in Chamiperhaps be recalled here—
traces of vulgarity are very few
(perhaps the habit of closing a
number in an applause-eliciting
burst of tone should be counted
one of them), lines are cleanly

reasonable support all the way
through, as he did (in Chaminade, Gluck and Rimsky-Kornade, Gluck and Rimskynade, Gluck and Rimskynade, Gluck and Rimskynade, Gluck and Rim

### The Price of Coal/Nottingham

### **Michael Coveney**

Life has not so much imitated art as overtaken it at the Not-ingham Playhouse, where Kenneth Alan Taylor's first pro-duction since he became artistic director in January is unapologetically set in the present while remaining impervious to the miners' strike, the Mans-field rally and Mr Ian McGregor's arrival in Notting-ham on Friday to assure those miners who have defied Mr Arthur Scargill that "They will always be taken care of."

The leading role in this stage adaptation of two old television plays by Barry Hines (shown in 1977) is taken by the TV comic Duggie Brown who surprisingly and sensibly resists the tempta-tion to step downstage and tell a few gags at Mr Scargill's expense. He is a likeable pre-sence on stage but a little underpowered as an actor for this large arena.

He plays Sid Storey, one of the few miners at Milton Colliery to dislike the idea of a visit to the coalface by Prince Charles. But the extremism is painlessly diluted in a string of iovial little scenes showing the absurd preparations for the visit: the planting of a tree, the petty snobbery of the pit manager (James Tomlinson), the smoothing over of rough edges both on the site and among the men.

At the same time, Sid Storey's domestic background is on a persistent newspaper somewhat strenuously sketched reporter in search of a sob story in: loving wife and three children exchanging smalltalk while that when the next pay rise goes ren exchanging smalltalk while that when the next pay rise goes watching Derek Randall and on, he'll be more interested in Co. doing badly in a televised "greedy miners" than in dead

surrounding area of work and This sort of writing is really without the density appropriate for the stage. Despite an impressive design by Robert Jones of brick, steel, colliery prospect, offices and lounge, you feel for most of the evening as though you are looking through the wrong end of a telescope. The farcical preparations end with the royal helicopter land-ing. The mood changes drastically after the interval to concentrate on a disaster, heralded by a mighty explosion in the well-lit fissure across the stage floor that suggests we have moved underground.

This half contains more emotional suspense as the wives worry over who has been killed — Ellie Haddington is impressive here as Kath Storey, and the shadow of disaster spreads cancerously through the mine at all levels. But sombreness has been fatally confused with pacelessness. Overall, the first act is not fumny or ebullient enough, the second devoid of the sort of Lawrentian tone and dignity I suspect the director was after. Still, the fate of a young miner screaming in agony while being lifted on to a stretcher, or the morose iden-tification of victims by a signet

ring or a green football sock, is powerful enough.

My favourite moment was when Miss Haddington turned one-day game. The scene ones, A case, I suppose, of switches rapidly between the closing the coalhouse door after manager's office, Sid's home and the hearse has bolted.

### Saleroom

contents of his English home. Senior of horses were such in Elveden Hall, near Thetford demand with "Emilius," the in Norfolk, got off to an excellent start yesterday. Among the pictures a portrait of Adelaide Maria, Countess of O'Neill's very musically sung Alfredo (while passing over his wholly implausible characterisation) and Anthony Polymers sation) and Anthony Baldwin's in the furniture a set of four early George III mahogany hall chairs went for £34,560, well above forecast.

The first session of the four

Lord Iveagh's sale of the exceeded Paintings by Herring £30,000.

> Among the nautical paintings a work by Bellevois of Dutch frigates, dated 1675, sold for £18,000, and a pair of sea battles by Thomas Luny fetched

What makes the price for the Hicks, a record for the artist, so surprising is the fact that Christie's sold a replica last September at the Luttrellstown Castle sale in Eire for 48,000

# Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

### Opera and Ballet

WEST GERMANY

Hamburg Staatsoper: Die Entführung aus dem Serail returns, starring Mariella Devia and Peter Schreier. (351151). Cologne Opera: Falstaff has Walter Berry in the title role. The Magic

Flute is worth a visit with Margaret Neville and Thomas Thomaschke. Fidelio features Kathryn Montgom-ery-Meissner and Hermann Win-kler. (2076). Frankfurt Opera: This week's high-

light is Tosca with Nelly Miricioiu making her debut in the title role and tenor Jose Carreras in the part of Cavaradossi. La Traviata has Nelly Miricioiu in the title role. Lulu, with a complete third act, has Nancy Shade in the title role. Doktor Faust is offered for the last time this season. (25621). Stutigari, Würtlembergisches Staats-

theater: Hans Werner Henze's Don Quichotte; produced by Andreas Meyer-Henno, has Mario Brell in the title role. Philip Glass's Echnaton composed for the Stuttgart op-era is produced by Achim Freyer. Counter-tenor Paul Esswood is outstanding in a east of high standard. Also on offer, Figaro's Hochzeit.

(20 321). Munich, Bayerische Staatsoper: Simon Boccanegra convinces thanks to Mara Zampieri in the title role.
Die Entführung aus dem Serail
brings together Edita Gruberova
and Claes H. Ahnsjö. Salome has
Strauss specialists Julia Varady and Gwyneth Jones. Der Troubadour stars Giorgio Lamberti. (21851).

Berlin Opera: The Berlin Theatre is of-

May 18-24 fering a ballet-week including two premieres. The first is The Leaves well and (8363161). Valerie Masterson. premieres. The first is the Leaves are Fading, choreographed by An-tony Tudor to music by Dvorak and a world premiere of Carmencita choreographed by Patrice Montag-non to music by the American An-

Royal Opera House, Covent Garden: The Royal Ballet offers Romeo and Juliet and a triple bill.

Sadler's Wells, Rosebery Avenue: London Contemporary Dance Theatre season continues with two triple

minion Theatre: Moscow Classical Ballet reconstructs an old ballet Natalie, the Swiss Milkmaid and a mixed bill. Collseum: London Festival Baliet opens on Tuesday with a run of Cranko's Onegin.

Lorin Mazzel conducts a concert per-formance of Die Walkure with Hass, Jones, Ludwig, Lotte, Rysanek, Bor-Boris Godunov alternates with a new owsky. Staatsoper (Tue). Alban Berg ballet evening: Three Or-chestra Pieces, Lyrical Suite and Viproduction of Gluck's Iphigenie en Tauride conducted by Gerd Al-brecht, with Shirley Verrett in the title role and Thomas Allen as Oreste. Paris Opera (7425750). Gyor Ballet is followed by Groupe olin Concerto. Choreography by For-LONDON

Emile Dubois, post-modern choreog-raphy by Jean-Claude Galotta, with Ulysses as the high point at the Theatre de la Ville (2742277).

### **NEW YORK**

New York City Ballet (New York State Theater): 37 repertory works, includ-ing 24 by George Balanchine and 10 by Jerome Robbins, comprise the by Jerome the hooding, comprise the spring season, featuring this week Stars and Stripes and Le Tombeau de Couperin. Ends June 24. Lincoln Center (870 5570)

American Ballet Theatre (Metropolitan Opera House). Ends June 16.

### **Rodney Milnes**

La traviata/New, Cardiff

The Welsh National Opera's advantage of a striking, tall revival of Verdi's elusive opera presence is nullified by an acting style so superficial as, on this occasion, to reduce Verdi's American soprano June Ander-American soprano June Ander-son in the title role. Her voice, the merest pasteboard. The as audiences in Europe already forced gaiety of the first scene unfolded, flower-like, and a but Cherkassky would even gentle current even to the finale, for all its sparkle.

Schumann's Etudes symphorally colours, its ally Cherkasskian sleights of nostalgia warmly embraced. His written) and E flats (written) are thrown off with mythen) are thrown off with mythen are thrown off with a limited and launchconfidence and ease. Technical ing into "Gran Dio! Morir si back-up is equally impressive. glovane" while looking the with the foriture very clearly very picture of rude health was articulated. The tone is bright, one of many moments leaving the listener ultimately unsatisforward and capable of con- fied minor Nocturne as an encore, forward and capable of con-had the audience holding its siderable dynamic expansion lucky the soprano who can field have had much encouragement

Architectural drawings At the Building Centre (26, Store Street, London, WC1) tone is obstinately unvaried; until June 2 there is an interesting show of architectural drawings by contectural drawings by contectural drawings by contectural drawings by contectural drawings by contents and the drawing in the contents are the strength of t point, another perspective, temporary architects. Many of Etude 11 (which Cherkassky them are for sale and for the lengthened according to first time there are prints of Schumann's later revision) was seminal modern drawings on offer to the public. It has been of Norman Foster, Leon Krier, and Jeremy Dixon.

known ancient operas.

upon cascade, unerringly paced. The last I heard, Chopin's E breath for fear of breaking the Alfredo" in the second. But, and here the reserva-tions start, the slightly gritty tone is obstinately unvaried;

The first production at the 10- December when he takes over the

year old Nortlands Opera in the baton for the current production of

18th century music. At the Drott- designer Hans Arnold. The three

ningholm Court Theatre - where main roles of Orpheus, Eurydice

the King of Sweden has his second and Amor will be sung by Carina

home - Ostman has been director of Strandberg, Barbro Ortendahl and

its annual opera and ballet festival Monica Sjöholm, who sang three of

since 1980. From 1979, the year of the "Merry Wives" in Falstaff. As

its foundation, until he went to with Falstaff, for which the Umea

Drottningholm, Östman was head Sinfonietta provided a reduced

of the "Vadstena Academy", which orchestra of 40, the Gluck will have

specialises in modern and little- a mere 20 instrumentalists in the

After conducting Cimarosa's Il four in Falstaff - is being reduced

matrimonio segreto both in to four singers and seven dancers,

Drottningholm and in West Ger- with choreography by Ivo Cramer,

many, he helped the Cologne Opera who has regularly worked in Drott-

Outstanding New Opera production This is because like Kent Opera -

at Sadler's Wells Theatre, when it with which Ostman likes to com-

was revived in the production that pare the Norrlands Opera - the en-

its director, Michael Hampe, man-semble thrives on small-scale tour-

ager of Cologne, had originally ing with occasional visits to the cap-staged in Sweden. Ostman is well- ital. I well remember an outstand-

known in Paris, West Germany and ing new work by the German-born

Italy, where he has additionally Swedish composer Eberhard Eyser

won two Prix Italia awards for his on a visit to Stockholm in 1976. It

two Swedish TV films: Queen was called Carmen 36. set during

Christina and Gustav III. He is the Spanish Civil War, and had the

I making his Covent Garden debut in energetic Monica Sjobolm in the ti-

to win the 1983 award for the year's ningholm.

range, especially in the com-paratively weak low register, and this is a serious drawback Miss Anderson specialises and organised by the Manspace is received with such acclaim in ducting, admirably m Gallery and includes the work of Norman Foster, Leon Krier, and Jeremy Dixon.

Nans Anderson specialises and ducting, admirably m intention, was too often in the dramatic thrust in this, of all operas.

pit, and the "chorus" of supers -

Not that Miss Anderson can

the agility required for the first to delve deeper: the WNO act and then really hit "Amami staging is frankly dreadful, set in never-never-land H. M. Tennent decor and projected with all the truth of a confection by Ivor Novello. In such surroundin the late 18th and early 19th thoughtful Germont (power-century repertory in which fully if a little unsteadily voiced). Julian Smith's con-ducting, admirably musical in intention, was too often lacking day sale totalled £972.872. September at in the dramatic thrust essential suggesting that the overall Castle sale in this. of all operas. in the dramatic thrust essential

# Falstaff/Norrlands Opera

### **Ossia Trilling**

South Lapland university town of Don Giovanni and four months Umea - Verdi's Falstaff - proved to later he will be responsible for the be a model of its kind. It was staged musical direction of the Kent Opby Tom Lagerborg, the Norrlands era's new production of The Bar-Opera's managing director, and ber of Seville.
conducted by Arnold Östman, one Before then he will make a secsparkling, if hardly "fat," knight) sang and played with conviction.

There was strong support on the distaff side, and Lars Tibell and scheme of things, and Ostman, desvisit to Sadler's Wells next year. of the four founders of the ensem- ond return visit to Umea to direct ble in 1974. Östman is well known and conduct, in a dual role he is fulthroughout Europe as an expert filling for the first time, Gluck's Orconductor of classical opera and a pheus and Eurydice, with decor specialist in the baroque and late by the Swiss-born Swedish stage

tiges of this art form as the plan-

ners of the city have not yet suc-

ceeded in destroying. But his re-

mark illustrates how easily young

people could - and can - appreciate

what the idealistic German archi-

tect Walter Gropius had in mind,

when in 1919 he and colleagues

founded their Bauhaus, a school for

In his manifesto, issued at the

design.

tle-role – a notable example of con-temporary Swedish music-theatre.

On Lars Österbergh's minimal stage and in Annsofi Nyberg's sim-le Flimbetheatre.

Barbro Örtendahl gave a good ac-count of the young lovers, with obtained a lightness and a fluency that gave the orchestral colouring Ford, Björn Haugan a burly Dr Cai-full value while bringing out the ple Elizabethan costumes the cast us, and Magnus Kyhle and Olle score's essential Shakespearean (headed by Karl-Robert Lindgren's Sköld as the proletarian comics. performance, that should persuade

# Bauhaus / Brussels

### Rob van Mesdag

School parties in Brussels are meaning painters and sculptors - Not until this basic, functional apflocking to the Bauhaus, a travelling exhibition about the design form developed in pre-Hitler Germany and still popular today. One schoolboy, admiring a photograph of the PanAm building rising above New York's Grand Central station. said to his friend: "Much better homes - should be merged. than our Art Nouveau." No doubt he For this to happen, the exhibition was taking for granted such ves-

explains, students of the Bauhaus larged upon and developed, causing were required first to discover the characteristics of materials, of met-On display are compositions by Johannes Itten (1888-1967) of wire, rope and glass, made only to exercise the mind. Similarly, Josef Alla America he co-operated in the bers (1888-1978) illustrated how a design of the PanAm building that folded to become a column of intri- much. time, explaining his views. Gropius cately shaped "positive" and "negafelt that "unproductive artists" - tive patterns.

should in the most practical way proach to materials had been unjoin the ranks of those intent on derstood did architects and painters building a new, modern world. To such as Kandinsky, Klee, Moholyhim art in itself was wasteful. It Nagy, Mies van der Rohe, Schlemshould, therefore, become integrat- mer and, of course, Gropius himed with technological progress. Art self, allow their pupils to proceed to and function - of buildings, objects, the various workshops in the Buil-

Here Gropius' ideals were enan impact on the design and manual glass, paper, cloth; then to study made product: from chairs to table the principles of colour and form. lamps, from the printed word to a house or office. Gropius fled from Hitler in 1934.

sheet of paper could be cut and the Brussels schoolboy liked 50

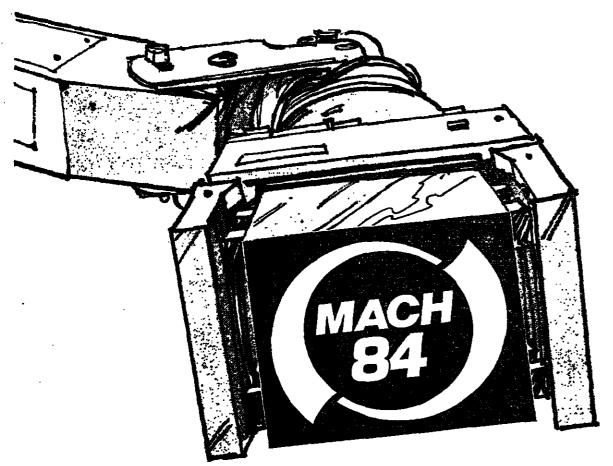
Bouhaus, Musee d'Iselies, Brus sels, until September 9.

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Tuesday May 22 1984

# Voting for the **Community**

easily the lowest turnout in the European Community and about half the turnout in the referendum on continued British membership in 1975.

There were perhaps mitigating circumstances. They were, after all, the first direct elections to a Parliament of which few people knew what to expect, the British less than most. Not only was Britain a late entrant to Europe; the Labour Party for some time declined to take its place in the nominated Parliament and only participated in the direct elections after considerable internal departs. bate. Above all, there had been an exhausting General Election campaign only a few weeks before.

This time it should be different. As all the political parties admit, it is the first real test admit, it is the first real test of national opinion since the General Election a year ago. The results will be taken as a guide to how the parties stand at home, and indeed other member states are in a similar member states are in a similar position. It is not only whether the British Labour Party keeps ahead of the Alliance in the percentage share of the vote that matters; it is also how the Socialists fare in France, the Communists in Italy or even the Greens in West Germany.

Again, continued British membership of the Community is no longer much in doubt. Although the Labour Party Although the Labour Party manifesto, published yesterday, maintains the option of withdrawal, it notes that by the time of the next general election Britain will have been a member for 15 years, which looks remarkably like coming to terms with staying in to terms with staying in.

### Unemployment

There is another way in which awareness of the Com-munity has increased since 1979. It is the growing realisa-tion that the member states have common problems, if in varying degrees. These are not all strictly political, nor are solutions easily identifiable on left or right wing lines. Yet the manifestos from parties of all complexions show a concern about the environment, pollu-tion, energy and transport.

IN THE first direct elections to which can be resolved in the European Parliament in national isolation.

1979 only 32.1 per cent of the British electorate bothered to European and national interests have begun to intermingle. The biggest are obviously unem-ployment and the management

of the economy. Here again there is the beginning of a moving together of parties across frontiers. The Labour Party manifesto, for instance. proclaims its desire for rapid progress towards a 35-hour week without loss of pay, an idea shared by the German trades unions. The Tory manifesto is much more in tune with Herr Kohl's Christian Democrats in its stress on curbing inflation and restoring business confidence. The Alliance manifesto has a section on strengthening the rights of the European citizen that is in the

hest traditions of European liberalism.

### Distinction

It is an open question how far voting in the European elections will further the achievement of any of these aims. The Parliament has little power to implement policy, though it has some to influence it. Its role lies in scrutinising what is being proposed and what is being proposed and raising issues on its own account. It can, for example, draw attention to the extravagant nature of European air fares, abuses of human rights or the excesses of the common agri-cultural policy. If the Parliament did not exist, there would be almost certainly some demand to invent it.

demand to invent it.

Those who turn out in the elections may be torn between a desire to show their approval or disapproval of national partles, or to try to say something about the way they would like Europe to develop. Some people may think there is no distinction: party right or wrong, or perhaps simply the opportunity for a protest vote. opportunity for a protest vote. Yet we would hope that as the campaign gets under way in the next week or so the parties will say more about the Europe of the future. The Tory and Labour manifestos, in particular, are a bit thin on detail with more

concerns. There is, after all, a difference between a Community where the member states pool their resources and one where they go

than one eye on purely local

Swiss bankers THE SWISS electorate has unthe banks and the central bank. Under it, the banks undertake ceremoniously thrown out the attempt to soften the country's not to give "active" support celebrated banking secrecy, to the illegal flight of capital celebrated banking secrecy. But nobody in Switzerland nor

warning for

elsewhere should be under any illusion that the bankers' win in last Sunday's referendum was the end of the story. Within the country debate will continue on the practical and moral issues. At inter-national level friction, especially with the U.S., is liable to

persist too. Viewed from outside Switzerland, the key section of the proposal rejected by the electorate related to the evasion of foreign tax legislation and foreign exchange controls. Had the vote gone the other way, the Swiss authorities would have been bound to requisition evidence from the banks to support foreign judicial authorities investigating such offences alleged against their own

### Haven

This matter has caused constant difficulties, especially with the U.S. American authorities suspecting that Swiss bank accounts are a convenient haven for American tax evaders. In France and Italy the authorities have reason to exchange controls often leads through Switzerland.

number of concessions to interfor which it is known, NA has a national and domestic pressure. Bank secrecy may be lifted in cases of offences, both at home and abroad, against the criminal law and in cases of tax evasion where it is associated with the forgery of documents. The Swiss banks themselves, to avoid reprisals against their offices in the U.S., have asked clients to absolve them from the secrecy rules in cases of insider trading. Legislation is under discussion which would reinforce this trend by making insider trading an offence under Swiss law.

The Swiss authorities and banking community should take the outcome of the referendum not as a signal to abandon such reforms, but rather as a reason to complete them. Swiss banks should remain under pressure to publish consolidated accounts instead of only submitting them to the regulatory authority. There is a case for giving more formal standing to an existing gentlemen's agreement between

from other countries and to take all care to identify their clients in order to avoid dealing

Many thoughtful Swiss. who are by no means identified with the Social Democratic Party or other sponsors of the secrecy referendum, have for long been worried that flagrant abuse of bank secrecy is liable to give their country a bad name. The Swiss banking community would be wise not to ignore their worries now that the referendum has been lost.

It is in the bankers' own interests to avoid complacency because the political com-plexion of Switzerland changed in Sunday's referendum. The socialists were joined in their attempt to modify bank secrecy by the right wing Nationale Aktion (NA). In return, the socialists supported a proposal put on the ballot by NA which would have banned the sale of residential property

to foreigners. This unprecedented alliance failed to make progress with the banking referendum. But the other proposal came very close the authorities have reason to to getting through. It was the believe that the route around first time that NA had made a respectable showing in a Federal referendum. In addi-Berne has already made a tion to the anti-foreigner bias populist dislike of big business in general and of bankers in particular. So the banking community did not have it all its own way on Sunday.

### Discrimination

As regards the substance of the referendum to ban sales of residential property to foreigners one can understand the widespread revulsion in Switzerland against the rash of chalets spreading over so many beauty spots. But that is something more properly controlled by zoning regulations than by a

discriminatory ban. Switzerland, more than most countries, is dependent on an open international system of trading and of doing business. Discrimination against foreigners will not serve its interests. Nor will its interests as a lead-ing financial centre be served if the ethos of the Swiss banking system loses touch with the best standards accepted else-

### 'NO STRIKE' AGREEMENTS IN BRITAIN

# A new deal, Japanese style

By Brian Groom

R ROY SANDERSON, the British electricians' union official at the centre of a TUC row over his union's "no strike" deals, admires the way Japanese workers apply pressure to their employers without walking off the job.
"The first time I went to Japan, waiters at the hotel were wearing armbands saying the wages, the business and the

manager were lousy. Within hours they received an improved pay offer," he says. As the Matsushita electronics plant in Osaka, Mr Sanderson adds, the entire workforce assembles on the lawn during pay negotiations to shout ritual abuse at the employers, before returning to the lines to keep production ticking over. Japanese workers do some-times strike—mainly during the shunto or spring wage offensive. But Japan is close to bottom of the international league table of strikes, and stoppages during

the term of an agreement are

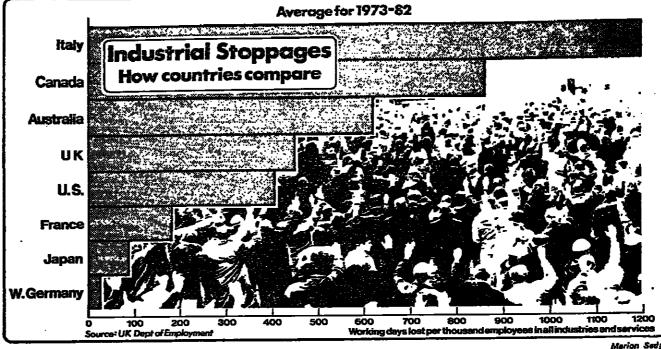
rare.

Britain is not top of the league: in 1973-82 it was seventh behind Italy, Canada. Spain, Ireland. Australia and Finland. But its reputation for a difficult "tradia difficult " them and us " tradi-tion of industrial relations remains a stigma even when disputes are not breaking out. However, a number of British nowever, a number of British unions are now making bold attempts to counteract that image. The most controversial among them is an offer by the Electrical and Plumbing Trades Union (EPTU) to high-technology companies many of them Union (EFTU) to high-technology companies, many of them foreign-owned, of a procedure ending in binding arbitration which aims to avoid conflict. Deals have been done with Toshiba in Plymouth, Sanyo in Lowestoft, Inmos, AB Electronics, and Ritachi in South Wales. Another will shortly be announced.

This has plunged the EPTU Union of Public Employ into a bitter row with left-led his union's conference. unions, which accuse it of selling the movement's rights "Britain's industrial r and freedoms in a desperate bid to win sole recognition agree-ments and members—sometimes

even before workers are employed at a new plant.
The issue is likely to come to a head at the Trades Union Congress at Brighton in September, at a time when the movement is weak and split over Mr Len Murray's successor. Left-wingers want to commit the TUC to opposing no-strike deals. This is not just the customary baiting of the right-wing EPTU which has become the left's bete noire. It goes to the heart of the TUC's so-called "new realism," already in some dis-array because of the union's decision to boycott the triparban on union membership at Government Communications Headquarters. The " new realism " has never

just been about improving relations with Government. It is about adjusting to the swite'towards high-technology indutries, to the growing number white-collar workers with



fact that only 39 per cent of union members voted Labour at the last election. These issues have not gone away.

The no-strike question tests how far unions feel able to go

to encourage inward investment, and win recognition from employers who might otherwise

be hostile,

For the left, the implied suggestion that labour should work more hand-in-glove with capital has been hard to stomach. "There is nothing realistic

about going on your knees in front of the employer. You don't have to be a realist to grovel to the boss," said Mr Tom Sawyer, deputy general secretary of the left-led National Union of Public Employees, at "Britain's industrial relations

system is bound hand and foot to the past. Union activists live in an isolated world, talking a language of their own. Workers are voting with their feet by not joining unions. "Hostility towards unions among school leavers has to be

seen to be believed. They don't distinguish between the NUM's It's undermining us all." The EPTU shies away from calling its agreements no strike deals, pointing out that workers

could not be stopped from walking out if they felt their position was intolerable. The system is clearly designed to

ction." agreement giving either side the The EPTU initiative arose right to demand it. action."

middle-class values, and to the from a survey by Mr Sanderson of engineering industry disputes in 1980, from which he concluded that in virtually every case there was hardly any gain

Other schemes are being tried to prevent disputes. The EPTU has reached an agreement with Control Data in South case there was hardly any gain to the strikers.

If negotiations fail, some of the EPTU agreements, like Toshiba, provide for grievances to be resolved by "pendulum" arbitration, a 15-year-old American idea now used in 11 states of the U.S. It requires Wales under which the managing director and the union's executive member for the area obliged to sit down and find a solution to a grievance if other avenues have failed. All major unions have been queuing up to offer Nissan, the Japanese car manufacturer, a

What the EPTU is offering is a single-union agreement which departs dramatically from the UK's industrial conventions

that an external arbitrator must come down wholly on one side or the other—thus in theory encouraging both sides to put reasonable cases, for fear that they would otherwise lose.
Troubled by falling member-

ship rolls, other unions— notably the General, Municipal and Boilermakers Union and the Amalgamated Union of Engineering Workers — have signed deals which go a long way towards eliminating strikes, in return for recognition. Some of them have procedures ending in compulsory.

binding arbitration, such as a deal done 18 months ago by array because of the union's decision to boycott the tripartite National Economic Development Council in protest at the ban on union membership at Government Communications to the decision to boycott the tripartite National Economic Development Council in protest at the both sides pledge "to avoid any action which interrupts the control of the GMBU at Norwegian-owned tions. The thre-year-old To MEK Cables in Washington New deal, which formed a blue for the other agreements three vial elements in additional deals, because they action which interrupts the control of the union's prevent disputes, however.

The agreements contain NEK Cables in Washington New deal, which formed a blue for the other agreements tration deals, because they action which interrupts the control of the union's prevent disputes, however.

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NEK Cables in Washington New deal, which formed a blue for the other agreements the control of the union the GMBU at Norwegian-owned would allow an outsider to reaching new agreement, to be decide the company's wage costs. introduced at Hitachi, in Nor are arbitration agreements Hirwan. South Wales, states an infallible barrier to disputes: baldly that all disputes must be last year's water strike went resolved "without lock-outs and ahead in spite of the employers' without any form of industrial call for arbitration under an

age disputes at the £50m plant it intends to establish at Washington.

The EPTU is on the look-out

for signs that its major critics, such as the Transport and General Workers' Union, are signing strike-limitation deals. It has noted a TGWU proposal to find a formula for avoiding disruption on the civil works construction contract at Nissan. Strikes are not the only issue at stake, however. What the

EPTU is offering is a single-union agreement departing dramatically from the conven-tions of British industrial relations. The thre-year-old Toshiba deal, which formed a blueprint for the other agreements, has three vial elements in addition • All employees are monthlypaid salaried staff with equal benefits. All wear the same company coats, and use the same car park and dining room.

training. "Someone can be in administration one day and on the shopfloor the next, or switched from assembling switched from assembling printed circuit boards to testing them," says Mr Sanderson.

A company advisory board was set up, including elected workforce representatives, who are given confidential business information and consulted on key decisions before they are taken. It can discuss everything from toilets to pay and profits.

in return for big concessions on

This board, which sits at a round table, is a carefully calculated departure from traditional negotiations between management and shop stewards. Managers do not hold premeetings to decide an advance presister and union representaposition, and union representa-tives are not bound by a man-

To avoid charges that the EPTU was discriminating un-fairly in favour of a foreign company, Mr Sanderson offered the same agreement to British consumer electronics companies at which the union is repre-

Most declined, saying either that their office staff would not countries once stan would not accept equality with manual workers, or that they did not want external arbitration. Mr Sanderson believes many were unwilling to adopt Japanese-style openness and information disclosure.

The EPTU is now touting its agreement around the "sunrise" electronics industries in Scot-land's Silicon Glen and along the M4. It argues that revolu-tionary deals are needed if the union movement is to penetrate the high-technology sector especially American ones, are company used to recognise five anti-union.

labour content of their products

every year. Some are prepared to keep Some are prepared to keep unions out by killing employees with kindness—paying above the going rate for salary increases, and providing individual counselling to deal not just with their problems at work, but their home lives as well. Mr Sanderson accuses companies like National Semiconductor, Nippon Electronic, IBM, Motorola and Maxell of using similar techniques to keep unions out.

using similar techniques to keep unions out.

So far the deals which the EPTU has signed are working satisfactorily, both union and employers claim. Arbitration clauses have not needed to be tested, and the union has keet a high proportion of the workforces in membership even without a closed shop.

Toshiba has achieved quality

without a closed shop.

Toshiba has achieved quality yields of up to 95 per cent at its Plymouth site, compared with about 60 per cent at a joint venture which the company had there with Rank Organisation until September 1980.

Absenteeism is 2 to 4 per cent compared with more than 10 per cent at Rank Toshiba. The factory has been expanded, and Toshiba now plans to build a microwave oven plant at Ply-

microwave oven plant at Flymouth.

Sanyo at Lowestoft has achieved productivity of 9.5 television sets per person per day, compared with 10 in its Japanese plants. Absenteelsm is one-sixth of the British average, with the help of strict discipline and checking on why people are away. It, too, is considering expansion.

Neither plant is a workers paradise. Sanyo's basic wages of £83 a week are among the lowest in the consumer electronics industry, and some employees are on family incomes supplement. If the company had not come to Lowestoft, however, they would be on the dole.

Most at Sanyo have got used

Most at Sanyo have got used to the way things are run and

some welcome the meticulous Japanese checking of productivity and quality details, though it has taken time to adjust to rules of no smoking, talking, eating or listening to music on the production line, and having the production line, and having to wait with a hand up until a supervisor allows a toilet break. "When I was first on the line I used to drop screws and kick them underneath, but after a couple of months I was picking them up and putting them back in the box just like the Japanese expect," one worker told Thames TV's A-Plus programme.

It is still early days to judge the effectiveness of the EPTU deals. A growth in world ciectronics overcapacity in the coming years may test more fully their ability to safeguard

workers' interests.

Meanwhile the row goes on, particularly over Hitachi. The other unions when its factor was a joint venture with GEC Electronics companies need was a joint venture with GEC, labour flexibility to provide and some of the displaced office staff have taken their lack almost weekly changes in work unions have started disputes of privilege with good grace. ing practices, and cope with proceedings against the EPTU The union gave complete advancing technology, which under the TUC's demarcation flexibility of working practices 12 per cent of the rules.

### Brussels gives the word

With the Euro - election campaign slowly grinding into action, tribute should be paid. even at this early stage, to the industry and imagination of Tony Robinson, for four and a half years the spokesman in Brussels for the Labour Party's MEPs.

In terms of newspaper column inches devoted to the antics of the 17-strong Labour group, this Ulsterman and group, this Ulsterman and former Sunday Mirror reporter has consistently out-scored those batting on behalf of the 60 Tories. Robinson has specialised in

Euro-lunacies, from the obvious examples of agricultural waste to the expenses-paid junkets patronised by some MEPs (though not Labour, naturally). (mough not Labour, naturally).

Many a political reputation has been holstered by his ready supply of quotations with head-line-catching phrases.

Last week, Robinson was picking brains in Brussels for the heat symmetries. the best examples of Euro-

jargon, Yesterday, up popped Barbara Castle, Labour group leader, with an initiative.

She has written to Commis sion president Gaston Thorn, urging him to ban a list of jargon words and phrases from EEC documents, Examples gathered by Robinson which have provoked Mrs Castle's fury include "acquis communautaire" (EEC rules), "monetary compensatory amounts" (taxes and amsidies on cross-border trade), and "non-edible vegetables"

### Carrian sale

Just about all the remains of the once opulent Carrian group is now on show in Hong Kong, awaiting an auction on Sunday that is expected to raise another HK\$3m (£276,000) for the company's creditors and share

holders The liquidators, at six previous auctions, have already salvaged more than HK\$30m from the wreckage of the group, ing director of Screen Sport, which collapsed with Hong It is Singer's second little Kong's property market late in joke at the expense of his erst-1982. But they are by no means | while employers. When he left

Top of the items for sale this

**Men and Matters** 

time is the luxury motor yacht once owned by the brother-inlaw of Carrian boss, George Tan. It is thought to be worth at least HK\$500,000. Most of the other things on offer come — after months of legal wrangling about their true

ownership — from the luxurious offices that Tan and other Carrian directors maintained They include 18th and 19th century European oil paintings.
Louis XV and Louis XVI clocks, Clodion sculptures, a large collection of silverware and of course, gold-plated bathroom

fittings. Even after this sale, there may be more to come. A dis-pute continues over the ownership of two of Tau's villas

### Different tune

When he was managing director of BBC Television, Aubrey Singer had an apocalyptic vision of the future of cable television. Unless something was done urgently, there was a danger that the traditional broadcast channels would be lost amid a welter of inferior cable programmes, mostly bought off the shelf in the States. Since February, when Singer

left Television Centre for early

retirement and the life of an independent producer, his perspective seems to have under gone a dramatic change. He has just become chairman of Screen Sport, the sports channel for cable television.
"We were flattered by his concern at the time and he is being consistent in taking cable seriously," purred Robert seriously," purred Robert Kennedy, founder and manag-

down to the jumble and bric-a- | the BBC he set up his company as White City Films—the name the BBC were toying with for their own film production company, now under consideration. Aubrev Singer is at the moment in Los Angeles before going on to China to research a film he plans to make. You can recognise him by the smile on his face.

### Balancing act

Nobody imagines it is easy being a Brazilian banker, with the debt crisis, and inflation running at over 200 per cent a year. But the annual report of the Banco do Brasil, the country's largest commercial bank, makes the point rather vividly.

In a single year, the bank's balance sheet more than trebled in size from 15.000bn to 52,000bn cruzeiros. Profits,



"This is the Yorkshire rosevery prickly, scab resistant, but spreads too quickly for alas, did not do so well: up a mere 175 per cent to 489bn cruzeiros.

The bank prides itself on

having a better credit rating than Brazil's central bank. And in his letter to shareholders Oswaldo Roberto Colin, the president, notes with evident pleasure: "The shares of the bank performed tremendously providing shareholders with a capital gain of 500 per cent on the year which, relative to con-ventional investments, repre-sents an excellent attainment."

### Sharp comment

Technologists alone cannot cope with today's technological challenges, Harry Beckers, group research co-ordinator for Royal Dutch-Shell, suggested at a meeting of the European Industrial Managers Research Association.

To make his point, Beckers related the following parable: A newly-independent country decided to nationalise all its foreign-owned industry and execute the top executives. But to be fair, the politicians said that should the guillotine fail to fall first time, the executive would be free to go home. Scores of foreign managers

lost their heads. But one stayed cool and came to a financial arrangement with the executioner, covering himself, his financial director, and his technical director. The "miracle" for which he had paid duly worked for the

top manager and his finance man. In each case, the blade failed to fall. Quivering, the technical director put his head on the block, looked up at the mechanism. and cried: "Stop, I see why it's not working,"

### Stretch a point

The Australian immigration official looked the British businessman straight in the eye: "Do you have any criminal record?"—"No. officer," he replied. "I didn't realise that was still a necessity.'

Observer

# SKELMERSDALE There are still some small, medium Development Corporation, Speak to John Leigh, and large factories available. And some incredible bargains. Pennylands, Skelmeradale. Lancs, WN8 BAR First class. skilled, trained. and trainable labour.. Skelmersdale Development Corporation

### Letters to the Editor

### Transferring Hong Kong magic

Sir.—Would that we could transfer some of the Hong Kong Magic (Lombard May 17) to this country but it would require rather more than the 2m immi-grants you propose though I acree they should be free to

only function to full effect in a climate of economic freedom and that in this country would have to be extended signifi-cantly to match that of Hong

Hong Kong was built on the principle of free trade with the world. With no natural resources other than a magnificent harbour this policy of the free movement of money and commodities has enabled the enterprise and hard work of the community to build the multi-faceted society we see today. But there are other factors, one of which has been of equal or greater importance: that is, access to land.

When Hong Kong was established the then Secretary of State declared all land Crown Land (as indeed it is (or was?) in this country) and by wise land policy and the essential minimum land use planning, ready access to land is provided for both public and private enterprise. New towns have been created, infrastructure provided and much public housing built all at no charge on the community, the full cost being recovered from the land sold by auction to private developers. The siting and development of the Kwai Chung coutainer terminal - now the second largest container port in the world—and the financing and construction of the Hong kong Metro are but two outstanding examples of the effectiveness of this land policy. Hong Kong itself in all its facets built largely from nothing in 40 years by its own people is there for all to judge.

What can this country learn from Hong Kong? Surely the main lesson is the enormous potential that exists for the creation of wealth if the burden of taxation and constraint is removed from labour and capital and public revenue obtained largely from the collection of land value? To follow this lesson would in fact be to return to the historical position since originally land was granted by and held from the Crown in return for services rendered to the Crown. Collection of land value would not only enable the burden of taxation on enterprise to be reduced but would also bring into productive use much land now held idle.

Such a change would be an appropriate way to mark the 900th anniversary of the Domesday Book. Richard C. Clarke. Sunflower Cottage, Little London,

From Mr R. Bonteit Sir.—It is not clear how a roup of "Shanghai cadres" (Lombard, May 17) would man-age to run Hong Kong-most local people would be unable to understand them unless all to understand them unless all 2 route de Loex, instructions were issued in 1213 Genera, Switzerland.

## Varying views on the GLC

From the Press Officer, Campaign to Abolish the GLC Sir,-Poor Ken Livingstone must surely regret making known his real opinion of the Greater London Council in 1979 and Mr D. Franklin (May 17) is perfectly justified in asking "is Mr Livingstone muddled?" The answer, it seems to me,

is 10 be found in what may be termed the Labour Party's "double track" approach to the GLC. That is to say, when County Hall is under Tory control the GLC is remote, insensitive and generally use-

On the other hand, as soon as Labour gets control the beast is suddenly transformed, and criticism thereafter is seen to be an attack upon local democracy, civil liberties, etc.

### Against deficit financing

rollapsed with the money supply, while spending on income support programmes rose with unemployment. In the U.S. it is impossible to have

tants is the Cantonese dialect. a very old survival of classical Chinese. It is unlikely that the Peking Government would, after 1997, reconcile itself to tolerating indefinitely a lingui-suc enclave, whatever the administrative status of the "special" regime for the "Hong Kong compatriots." One of the lasting effects of

the Maoist revolution is the spread of standard Chinese among the young generation even in those areas—mostly along the southern coast— which remained wedded to local cultures based on surviving mediaeval Chinese dialects and also generally spoken by their overseas "cousins." Even overseas "cousins." Even before the victory of the anti-Manchu revolution of 1911, the learning of standard Chinese (kuo yu-what we erroneously used to call Mandarin) was regarded as a patriotic duty by many overseas Chinese who did not opt for an English school education for their children.

It would therefore be of importance for the eventual future of Hong Kong to foster the rapid development of schooling in standard Chinese among all classes. Useful pointers of how to go about this could be derived from experiences in Singapore.

Ralf Bonwit. Sorby, Kiln Lane, Binfield Heath, Henley-on-Thomes.

From Mr D. MacShane

Sir,—Unlike Anatole Kalet-sky (May 17) I heard few accusations of "betrayal" during two recent visits to Hong Kong. Rather that Mrs Thatcher's blundering visit to Peking in 1982 and her publicly lecturing the Chinese on Britain's legal title to the island turned an issue around which everyone was trying delicately to skirt into a major matter of face and Chinese pride. As some of the most skilled negotiators in the world the people of Hong Kong I met just seemed bewildered at the stupidity with which the British Government played its hand. Mr Kaletsky is quite right to

succest that one way out for this or a future British government that makes both moral and economic sense is to permit those who wish to leave Hong Kong to come to Britain or to help them resettle elsewhere. Every wave of political or economic refugees to Britain—
Irish, Jewish, East African,
Asian — has enriched the
country. If we want to avoid
an exodus that will make the
Victnamese boat people look
like an orderly day trip across the Channel and if we want to embrace people whose drive, sense of community and collective responsibility could only benefit today's down-at-heel, stoppage was in protest against privatisation, the stoppage was in protest against the factories. selfish Britain then a commit-ment to provide passports for the people of Hong Kong before they pass into the Chinese gulag would be a positive and progressive step. Denis MacShane,

Credit for development of the "double track" theory may also properly be claimed by Gerald Kaufman who, speaking as Labour's "shadow" Environment Minister in February 1981, said that the GLC had "abdicated its responsibilities." He also described it as being "an enormous bureaucracy which has a dubious role to play."

Frank Dobson, MP, chairman of the London group of Labour MPs, had also helped to develop the theory by declaring in July 1979 that the GLC was "a disgrace and a failure," that "it does no useful work at all." and that it should be abolished as soon as possible. Well said indeed!

Colin Smith.

From Mr Paul Craig Roberts a recession without having a Sir.-I was astounded to find large deficit. large deficit.

My position on the deficit is based on a careful and thorough examination of academic scholarship and empirical evidence. The evidence shows that it is government spending that crowds out the private sector, not how that spending is financed. The evidence does not show that the economy can be improved by substituting higher taxes for Treasury borrowing. myself described in your May 15 editorial as "the high priest of deficit finance." No designation could be further from the truth, and nothing that I have ever said or written supports such a description.

supports such a description.

The high priests of deficit finance are the Keynesians, and it is against this Keynesian policy of deficit finance that supply-side economists such as myself have fought. As assistant. Treasury secretary in the Reagan Administration, I supported a policy whose explicit goal was to reduce federal taxes and federal government spending to 19.3 per cent of GNP by 1984. This goal was defeated largely by the 1981-82 recession brought on by one of the tightest monetary policies in the post-war period—a policy that was unperiod—a policy that was unperiod to the economy can be improved by substituting higher taxes for the economy can be improved by substituting higher taxes for the economy with sound tax policy and by controlling the economy with sound tax policy and by controlling the economy is not to defend it, but to get rid of it by encouraging the economy is not to defend it, but to get rid of it by encouraging the economy is not to defend it, but to get rid of it by encouraging the economy with sound tax policy and by controlling the economy can be improved by substituting higher taxes for the economy can be improved by substituting higher taxes for the economy can be improved by substituting higher taxes for the economy can be improved by substituting higher taxes for the economy can be improved by substituting higher taxes for the economy can be improved the economy can be improved by substituting higher taxes for the economy period-a policy that was un-budget while government expected by the administration. spending grows as a percent of The administration asked the Federal Reserve gradually to reduce the growth rate of money by 50 per cent over 2 five-year period; instead, the Federal Reserve collarsed to reduce the growth rate of money by 50 per cent over 2 five-year period; instead, the Federal Reserve collarsed the Federal Reserve collapsed would gause the deficit to re-The economy and the tax base Paul Crain Roberts.

Exports of capital goods

writing. The spoken native From Mr R. Musgrave language of most HK inhabi- Sir — Dr Morris (M. Sir - Dr Morris (May 14) argues that bureaucrats like himself can, by manipulating the economy with export sub-sidies, produce better results than a free market, ie an absence of subsidies. This is allegedly because he and his colleagues can take into account colleagues can take into account such weighty matters as "the likely duration of other countries" export subsidies," "the relative competitiveness of different sectors" and "the size of knock-on effects on application."

suppliers." I think Dr Morris has overlooked the fact that these sorts of imponderables are continually being taken into account by businesses, ie the market. For example a British producer threatened by another country's export subsidies would not be so idiotic as not to make enquiries about the "likely enquiries about the "likely duration" of the subsidy before contracting his business. If, of

course. NEDO personnel were particularly good at quantifying these factors we would all find NEDO publications indispensable reading and such personnel would make fortunes on the Stock Exchange and elsewhere But neither of these obtain.

Thus while export subsidies may be a valid political taction to persuade other countries to get rid of their subsidies, I doubt they contain an ounce of doubt they contain an ounce of economic logic. The frequency, however, with which Governments fall for the temptation of subsidising the balance of payments for no good reason greatly exceeds the frequency of the above valid political tactic or any other valid reason. Thus I am tempted to agree with Samuel Brittan's proposal. with Samuel Brittan's proposa attacked by Dr Morris, namely that all export subsidles be abolished.

R. S. Musgrave. 24 Garden Avenue, Framwellgate Moor, Durham.



### Bananas are cheap today

Sir. — While not wishing to be unsympathetic to the senti-ment expressed by Mr Francey, May 10, particularly as the elderly as a group consume more bananas than any other, I must challenge the suggestion that the fruit has become ex-

The price of bananas has fallen behind the average increase in retail prices over the past 10 years. The overall retail risen by 370 per cent si price index since 1974 has risen by 243 per cent, that of food by 220 per cent, and bananas 15 Stratton Street, W1.

From the Assistant Advertising in particular by 175 per cent.

Manager, Fyffes Group

Sir — While not wishing to

Sir — While not wishing to little sodium, but is high in potassium (very important for the relief of stress) and is a valuable source of vitamin C, the banana still represents a source of good cheap food. But its modest price will soon

register as a burden on those have to find ever more money for those other essentials like fuel; the price of which has risen by 370 per cent since 1974

tions outside the factories and

arrangements were made for them to make a donation from

Following a detailed survey, the non-industrials reported that approximately 90 per cent

The MOD has now confirmed

to us that it accepts that our

members are solidly opposed to privatisation. Neither does it

challenge our estimate of the participation on April 27.

hope, therefore, that this letter will reassure readers that there

is no weakening of resolve on the part of the trades unions to

defend the Royal Ordnance Factories. They are an essen-tial plank in the platform of

Britain's desence and, even if Government is driven by dogma,

we will continue to act in the

I am sure that you will un-derstand why we are concerned to put right the misleading in-

formation that was given by an

MOD spokesman to one of your journalists. I might add that

we have no complaints about your coverage generally of the privatisation of the Royal Ordi-nance Factories. It has been

refreshingly even-handed.

national interest."

### Counting numbers in support should know that those con-cerned attended the demonstra-

From the National Officer, Public Services Group,

Transport and General Workers' Union Sir,-We are accustomed to policemen on trades union their pay to ensure as far as marches playing down the numpossible an equality of sacrifice. bers participating. We expect better from the Ministry of

Defence. that approximately 90 per cent
On April 27, Britain's 11 of their 6,000 members took the privatisation of the ROFs. The stoppage followed an overwhelming vote in a series of meetings throughout the counmeetings throughout the country. For example, I addressed 13,500 of the industrial employees at 15 mass meetings in the 13 establishments and the vote to continue opposition and to stop work on April 27 was carried overwhelmingly with only 21 votes against and six abstentions. Similar strong support was forthcoming from

the members of the non-industrial unions. On April 27, the only industrials in the ROFs that went to work were those who were there by agreement to maintain there by agreement to maintain the safety of the plants and protect the public. You can imagine our surprise, therefore, when we saw the reference in the Financial Times on April 23 to the MOD saying that only 85 per cent of the industrials had participated. Perhaps, some

what disingenuously, it was Jack Dromey. taking into account those on Transport House. night-shift. If so, readers Smith Square, SW1

9-9a, New Bond Street, W1.

### Commoners rights attacked

Committee

Sir,—Any readers who have visited Oxford are likely to have observed a large meadow across which unspoiled views of the city may be obtained. This is Port Meadow, a stretch of common land dating back to be fore the Norman Conquest sion to develop common land, Part of this ancient common is now under threat, and from a now under threat, and from a quite unexpected direction.

Oxford City Council is either owner or custodian of the land (this is in dispute). In either case it is obliged under section 194 of the Law of Property Act 1925 to guard the land for the good of the public. In January 1984 this same council published an official notice applying to develop part of the ing to develop part of the for the general put common, commercially. The application would appear not in itself to be illegal (though

From the Honorary Secretary, Surely contrary to the spirit of the law) but it is, we believe, unusual. We are concerned at this apparent loophole in the

A second cause for concern is that a city council respon-sible in theory for the wellbeing of its electors, is in this instance applying for permisnot for itself, nor for the benefit of its constituents, but for a thriving local business which is seeking in this way to

expand its operations.

Especially in these recessionary times we favour business expansion but is there not a danger of a local authority confusing its roles when it promotes individual firms on land it is obliged to preserve for the general public?

### ern. Obsession with exam results

From Helen Quigley

(May 14) with interest and am pleased that you approve of Sir Keith Joseph's attempts to broaden the curriculum and loosen the grip of narrow academic specialisation.

have pointed out that the comments refer entirely to England that Scotland has cained its and Wales. In Scotland they do reputation for educational things differently.

The Scottish leaving certifi- Helen Quigley. cate has always been more 41 Rylett Crescent, W12.

broadly based, with university-Sir,—I read your leader
Obsessed with exam results"

May 13) with information of the subjects at higher level.

The Scots are also ahead of their southern colleagues in their intention to introduce one examination for virtually the whole 16-year age group. This I think however you should will be phased in from 1986.

It is through such measures excellence

Successful Basque co-operative

# The unorthodox survivor

By David White in Madrid

A BACKWOODS co-operative, originally the inspiration of a priest, and which started out making petrol stoves, may not be everybody's idea of the kind The oldest of of company most likely to sur- the industrial vive a recession. But Ulgor, now the largest co-operatives at Spandsh-owned manufacturer of Mondragon, in the bousehold electrical equipment household electrical equipment,

Almost 30 years after it was launched, the oldest of the industrial co-operatives at Mondragon in the heart of the

Basque country is breaking new ground in microwave ovens and preparing to take a leadership role in government plans for reorganising the white goods

as one of the country's 10 exemplary companies, a "exemplary" companies, a list in which six were subsidiaries of multinationals. The Mondragon experiment is widely regarded as a model of its kind, a claim reinforced by the fact that Ulgor adapted to the crisis faster than other nonforeign-owned companies in its field. But Ulgor's manager, Jesus Catania, is reluctant to attribute this success to any-thing inherent in the co-operative system itself. For him it has been more prosaic — a matter of rigorous, cost-cutting, market-oriented man-

agement. Worker-ownership has not always made things easier. Ulgor lies in a wooded valley in an old iron and steel area, where the language is Basque and Basque nationalist feeling runs high. Its name comes from the initials of the five people who founded it, all former pupils of the professional school set up there by a legendary priest, Father Jose Maria Arizmendiarrieta. The factory began in 1956 using foreign patents but went on to

foreign patents but went on to develop its own products, mainly under the Fagor trademark.

Ulgor has built up around itself a group known as Ularco, now totalling 12 co-operatives and employing 6,000. Other members of the group make castings, machinery and components. Activities have been extended to software, and an affiliated research unit. Ikerlan. affiliated research unit, Ikerlan, s a pioneer of robotics in Spain. On the executive side, says Sr

has survived better than its more orthodox rivals in an industry suffering from heavy losses, chronic overmanning and panic over the prospect of open competition in the EEC. a leading role in the reorganisation of Spain's white

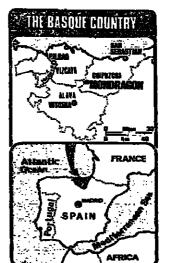
goods sector.

Last year, the Spanish busi- Catania, the co-operatives are ness magazine Dinero named it run like ordinary companies, as one of the country's 10 The management team is not elected administrative council. However, there is one aspect in which Ulgor's approach differs substantially from the corporate norm, and that is diversification. Instead of accumulating new activities, it works by a kind of activities, it works by a kind of binary fission process, in which new branches, once mature, break off on their own. Activities which it started in equipment for hotels and restaurants, water heaters and kitchen furniture have all become the basis for separate co-operatives—although links

are kept up.
As a result, Ulgor itself has devoted its energies to getting its original business back into shape. It has made big investments in new machinery in order to lower production costs,

renewed its extalogue and changed its export policy.

It has stopped sending cookers and refrigerators to Algeria at low profit margins and become more selective, concentrating on markets such as France, the UK, Benelux and West Germany. This has meant bringing standards up to EEC levels and building up a Euro-pean commercial network. Ex-



not made for carrying out re-dundancies. Although Spanish law allows co-operatives to have 5 per cent non-members, at Ulgor everybody is a coowner, with an equal vote. In other companies, Spain's rigid labour rules, inherited from the Franco era, make it hard enough to sever job contracts. A co-operative like Ulgor, according to Sr Catania, is not more flexible, but less.

The force of workers-owners has, however, been brought down by over a third, from 3,500 in 1977 to 2,200 at present. This has been done principally by splitting off the after-sales service, where former members of have 5 per cent non-members.

vice, where former members of the Ulgor co-operative have been put out on contract. Cuts on the factory floor have been carried out through transfers to other co-operatives.

Leavers take with them their share of profits and their entrance fee. This fee is cur-rently Pta 650,000 (about £3,000) for new members, who can pay it over two years. The co-operative's profits are divided between reserves and distribution to members, via special accounts held on their behalf, on which they receive 6 per cent annual interest. When there

machines, refrigerators, cookers and dishwashers, All four are now viable, Sr Catania says. But he warns: "In future, if we join the EEC, we will have to reconvert the whole product

Entering the Common Mar-ket, which Spain aims to do in 1986, will mean more products available on the Spanish market (where consumers now have a very limited choice), and chesper imports.

cheaper imports.

Sr Catania reckons a productivity improvement of 20 per cent is needed to compete—"practically a new factory." Production of washing machines and dishwashers has already been brought up to what he describes as a European level, and the company has begun converting its refrigerator operation with a \*ta 1.8bn investment programme

investment programme.

The aim is a 30 per cent productivity gain on refrigerators.
"This means that in 1987 we will have to be making the same fridges with a 30 per cent smaller workforce, or 30 per cent more units with the same

workforce." Another 400 jobs are expected to be shed over the next four years. Sr Catania reckons that Ulgor has the capacity to increase output of cookers and dishwashers by 50 per cent and to double that of fridges and washing machines. But the market is still weak.

With its three trademarks, Fagor, Aspes and Novelty, the company is sticking to the lower, non-electronic end of the market. But it is planning some new products, including a com-bined standard and microwave oven, the first of its kind in Spain, due in September.

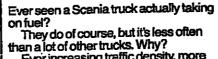
The electricals sector, says Sr Catania, lost Pta 8bn last year and is dying a slow death, de-capitalised and deep in debt to the tax and social security

authorities. Several companies will be condemned to close wholly or partly, even before EEC entry. A Government commission last year recommended cutting off

West Germany. This has meant bringing standards up to EEC levels and building up a European commercial network. Exporting is part of the doctrine behind the co-operatives, and Ulgor makes a third of its turnover abroad.

The most difficult part has been solving the overstaffing problem. Even though being a co-operative reduces the role of trade unions, the system is

# There's a tour etter word used less often by Scania drivers.



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# FINANCIAL TIMES

Tuesday May 22 1984



# IMF sees little hope of easier debt service burden for LDCs

BY PETER MONTAGNON IN ST GALLEN, SWITZERLAND

THERE IS little hope of fresh initiatives to ease the debt service burden of countries in the developing world, according to M Jacques de Larosière, Managing director of the International Monetary Fund

Many countries have already made dramatic progress in adjusting their economies over the past year and should continue to cope with this burden providing adequate financial backing is available and world economic recovery is secure, he told an economic seminar

in St Gallen, Switzerland. In his speech M de Larosière stressed the orthodox line on debt rescheduling and adjustment which is in sharp contrast to this weekend's call by four leading Latin American governments for substantial changes in the West's financial and trade policies.

"Commercial Banks will have to continue leading on a significant, if reduced scale, because the financing needs are such that they could not be met without the banks," he

But he added that the time had come to put rescheduling into a mercial flows will depend more longer-term perspective for those than ever before on the quality of Simonsen, a former Brazilian Fi-

put rescheduling into

policies that borrowing countries

have in place and are implemen-

not to relax the process of debt ad-justment, M de Larosière also said

it was essential for industrial coun-

tries to take action to ensure non-

While warning the debtor nations

ting," he continued.

inflationary growth.

Jacques de

nar that confrontation between debtor and creditor nations was Larosière: likely in the long run if the exports the time has come to of debtor countries failed to grow in line with interest rates. Systematic interest relief was un-

nance Minister, warned the semi-

a longer term desirable because it could discouperspective rage debtors from paying their debts, he said. Instead regulations should be changed to allow partial capitalisation of interest and there should also be some contingency planning which might involve the creation of worldwide tax free bonds to provide funds for develop-

> • Some developing country debts are now irrecoverable, Dr Fritz Leutwiler, president of the Swiss National Bank, told the seminar. Commercial banks have to build up reserves which in time will allow write-offs on these loans because osses are going to occur." pite this, banks should and will continue lending to developing coun-

> Banks that are not traditionally draw "but the big banks will stay

> in international business will with-

# **Airlines** profit of \$250m forecast

By Michael Donne in London ALTHOUGH major world airlines may collectively earn a net profit of \$250m after interest this year, the return is "far short" of the require-

ments for necessary investment. The new profit forecast was made by Mr Knut Hammarskjold, director-general of the International Air Transport Association (LATA). It compares with an original forecast of a net loss of about \$750m. He said the improvement had occurred be cause traffic had been rising at a faster rate than capacity - the number of seats on offer.

Mr Hammarskjold, speaking at an international aviation confer ence in Paris, said, however, that it airline continued to increase the capacity on offer "I fear that we may find the current more positive financial prospects disappearing before our eves."

In spite of the improved financial forecast, airlines were still "collectively falling far short of anything like a sufficient return in order to finance necessary fleet replacements in conventional fashion from

their own resources." Airlines within lata believed that profits of about 7.5 per cent of revenues were necessary to enable them to run sound businesses and replace ageing fleets, he added. "Yet, even in the best of recent years, 1978, the airlines achieved only 4.1 per cent." The return of \$250m expected for

this year would amount to 0.5 per cent of revenues. This was clearly a very poor result, he said. Mr Hammarskjold said that with such poor financial results and with the need for major fleet replacements now upon them, airlines would be hard-

pressed to acquire new aircraft. This was leading to intensified in terest in leasing aircraft and also in the secondband market. Mr Hammarskjold expressed

fears over the newly emerging U.S. policy to settle international civil aviation disputes at judicial levels through the courts, rather than at government level. There was a potential danger that

international air transport could be subject to judicial regulation of the courts. It was a serious development and was being watched close-

### Olavan group lifts stake

By William Hall in New York

man S. Olayan, a wealthy Saudi Arabian businessman, has increased its stake in Occidental Petroleum, which has been the subject purchase an equity stake in the \$58.7m on sales of \$629.7m. In the of mounting takeover speculation, company, form a joint venture or current financial year EDS's profits to nearly 6 per cent. sign a long-term contract with EDS. are expected to reach about S71m

Mr Gordon Reece, Occidental's

by 40 per cent this year as speculation has mounted that it was a possible takeover target. Aside from the Olayan Group, Mr David Mur-dock, a director of Occidental, has a stake of about 5 per cent in the Los Angeles-based oil company, and is known to have asked Occidental for permission to break a standstill agreement which prevents him from increasing his stake. Occidental refused permission and there have been rumours that Mr Murdock has become increasingly criti-cal of several recent Occidental de-

### **Ashland Oil** may sell insurance unit

By Our New York Staff

ASHLAND Oil, the largest independent oil refiner in the U.S., is plan-ning to sell its life insurance subsidiary, Integon which it acquired three years ago.

The proposed sale, on which the company is being advised by investment bankers Goldman Sachs forms part of a strategy to return to the Kentucky-based company's original emphasis on primary energy, chemical and related industries.

assets of Integon had grown from \$3.53bn to \$13.3bn of ordinary life insurance since it was acquired by Ashland.

THE LEX COLUMN

# Morgan Grenfell shows a leg

Morgan Grenfell's stonewall reply to queries about a public listing has been so constant for so long that the tape on the bank's answer ing machine must almost havt worn out. Yesterday, it inserted a brand new cassette carrying the message that a public quotation might be ob-

tained as early as next year. Morgan's unusual shareholding structure has been such an advantage over the past decade that yesterday's conspicuous change of tack nust say a good deal about how it envisages its future role in the financial services industry. Morgan has enjoyed easy access to outside

any fresh equity at all. home, the bank announced a rights issue - its fourth since 1974 - to raise £45m. The subscription price was pitched at a 65 per cent premium to disclosed net worth, enough to make its peers turn green with envy. Despite having outperformed the stock market by around 20 per cent over the past year, merchant banking shares trade so close to dis- buying the shares back. closed net asset value that virtually

through the rights discount. The frequent calls on shareholders have enabled Morgan to expand its capital base far faster than the competition, which has generally struggled to keep pace with infla-tion. Now the bank is apparently prepared to join the rest of the crowd and, as if that were not enough, to disclose its true net worth. The compensation, however, is that Morgan would be able to think much more ambitiously about

any premium would disappear

Arguably, a public listing might have enabled the bank to contemplate purchasing one of the very biggest jobbers, instead of Pinchin Denny, while the recent link with Target Life gave the strong impres-

Willis Faber - panting to keep up.

### Sweden

The foreign capital streaming in-to Stockholm equities over the last couple of years has radically altered the domestic habitat of the big fish the domestic habitat of the big lish still locked into Sweden's capital pool by some of Europe's tightest foreign exchange barriers. Suddenly they find themselves swimming in the company of all sorts of smaller predators, and the Wallenberg family's decision to repurchase capital during a period when none of its quoted competitors has raised Yesterday, as if to drive the point from Volvo two key stakes in its federation of companies looks the kind of defensive move urgently needed to hold the family's traditional interests together. But the retrenchment has been expensive: the jumbo SKr 3bn subordinated loan now being issued by investment companies at the centre of the federation will just meet the costs of

> The size of the loan dwarfs anything of its kind seen in Sweden before and seems certain to draw local funds away from the stock market for a while. Volvo will be unable to transfer the proceeds overseas but could well have other plans for them internally. Besides, Volvo's chairman now has at least two good reasons to tread warily in the stock market. An earlier equity trading strategy in the market fell foul of Volvo's sheer size. The latest, longer term approach which led to the investment in the two Wallenbergcontrolled companies has only served again, after all the recent battles, to underline the incestuous complexity of the Swedish corpo-

ipate as a principal in the securities deal contains a side agreement on market, which will require extra Volvo's part which will contribute capital, and expansion on all these further to the patchwork of corpofronts would certainly leave its ex-isting shareholders - particularly Sweden's west coast. There is little evidence that any of this has yet deterred foreign investors but the real test must await the next bear mar-

utent

a Chi

### A B Foods

Associated British Foods' pre-tax profits for the year to March, down from £146.5m to £126.7m, take some unravelling after the sale of its 52 per cent-owned South African business, Premier Group, at the end of June 1983. Once down to the bottom line, though, the shortfall in Premier's profits is roughly recovered by much higher investment income and lower minorities. That leaves the rest of the group looking stuck on a profits plateau. Yesterday the shares were stuck as well, at 166p, where the historic actual tax p/e is 7.8. The current year p/e will probably be about the same, on pre-tax profits around £130m.

As usual that rating looks on the cheap side, especially when 30 per cent of group profits come from Fine Fare, which, if not up to Sainsbury standards, deserves a higher valuation. True, baking is not the most glamorous of businesses, but A B Foods' bakeries stayed in the black last year even after around £4%m of redundancy and reorgani sation costs. Nor is the competitive outlook brighter, given RHM's el-forts to cut costs, the enforced overcapacity in the industry and the su-permarket chains, which get the big discounts, taking a larger market

The stock market's excuse for the low rating is uncertainty over how the £200m raised from the Pressier This will be marginally simplified sale will be spent. But with interest sion of a financial stretch. Morgan by the Wallenberg/Volvo agree-rates high, management are in no has well known ambitions to partic-ment in its essentials; but even this burry to reinvest.

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77.

CASS. SEC. 15

17.<sub>6.1</sub>

### U.S. bond dealer files for protection

By Terry Byland in New York A FRESH indication of the strains in the largely unregulated U.S. federal bond markets emerged at the weekend with the filing for bankruptcy protection of another small

market trader. RTD Securities blamed rising interest rates for its decision to file under Chapter 11 of the federal bankruptcy code but added, in its court submission, that its problems had been aggravated by the similar filing earlier this month of Lion Capital group.

RTD's collapse, which is believed to have involved losses to customers of only about 57m, concerned repurchase agreements, which were also the cause of the problems at Lion, and have become a matter for concern in the federal securities

Repurchase agreements involved temporary investments by custom-ers of RTD in federal bonds held by third parties. However, as is usual in such arrangements, "TD customers did not take title to the bonds

The U.S. securities industry is in doubt at present over whether repurchase agreements represent loans or actual purchases of federal

Some RTD customers, are believed also to have been customers of Lion. Moreover, the same money broking firm, National Money Market Services, appears to have acted as the link between customers and the two trading firms.

The rapid expansion of money broking services has also been cause of some concern for the securities markets, and there have been calls for some regulatory control over their operations. The past three months have

brought increasingly difficult trad-ing conditions in U.S. federal bond markets. Interest rates have risen and trading firms have carried heavy portfolios, swollen by successive auctions of Treasury securities. On several occasions prices have collapsed abruptly as trading houses have been obliged to cut portfolio losses.

The first sign of difficulties in the bond markets surfaced in 1982 with the collapse of two trading firms -Drysdale Government Securities and Lombard-Wall. Earlier this month March McLennan, the insurance group disclosed that it had suffered \$165m in losses because of unauthorised trading in government

tas Angeles Luxenhaum

**Eurobonds, Page 42** 

# UK merchant bank may seek listing to meet capital needs

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

few leading British merchant banks the company on the stock ex- worth about £30m. which is still privately owned, may change."

Morgan has also seek a stock exchange listing next

countries which had made impor-

tant progress towards economic ad-

justment. "Such an approach, which

should be applied case by case, would help the countries in ques-

tion regain access to spontaneous

financing in international markets.

"However, access to new com-

The bank disclosed its plans in an announcement giving details of a 545m (\$62m) issue of new shares which it is making to the small group of mainly institutional shareholders which currently runs it.

Mr G. W. Mackworth-Young, chairman, said the idea had been prompted by the deregulation of the UK stock market, and the growing need for capital that this placed on the bank. Morgan had also reached the size, he said, where it should think about going public. Including the new share issue, the bank will have a capitalisation of £210m.

A carefully worded sentence in the directors "are giving consideration to the desirability of obtainThis deal's value is implied by yes-

BY PAUL TAYLOR IN NEW YORK

argest car maker, is considering a

GM confirmed yesterday that it

was holding "preliminary" discus-sions with Electronic Data Systems

(EDS), the Dallas-based computer

services company founded and con-

trolled by Mr Ross Perot, a colour-

The car giant stressed, however,

that no agreement had been

reached and that there were "no as-

surances" that any agreement will

It is also unclear what form an

agreement between the two compa-

tion." However, Wall Street ana-

Cocoa Exchange yesterday submit-ted its final application to the Com-modity Futures Trading Commis-

sion to start trading in contracts on

four key economic indices, together

with statements from economists

explaining their potential benefits

The indices on which it will be possible to speculate or hedge are the CPI-W, the consumer price in-

dex for U.S. wage earners, the in-

dex of U.S. housing starts, the index

of U.S. retail car sales and a new in-

as devices for hedging risks.

major expansion into the data pro-

cessing service industry.

ful Texas entrepreneur.

be reached.

MORGAN GRENFELL, one of the ing, possibly in 1985, a listing for terday's issue announcement to be

Mr Mackworth-Young stressed the plan was in its early stages. But the directors had decided the new

issue was the appropriate moment to tell shareholders about it. The bank's largest shareholder is 8.5p. Willis Faber, the insurance broking group, with 24 per cent. About two dozen institutions hold another 60 per cent, with the rest divided among a few private shareholders. The new issue consists of up to 11.25m shares at 400p each, and will bring the total to 53.8m shares.

The proceeds will help Morgan's expansion into new lines of business, mainly in the securities field. Last month it bought 29.9 per cent of Pinchin, Denny, a jobbing firm. the new issue announcement said and will raise this to 100 per cent

GM studies Data Systems link

GENERAL MOTORS, the world's lysts noted that GM had around large, rapidly expanding and highly

Mr Rodger Smith, GM's chair-

nies might take. GM said only that processing tasks in industry and four-year contract to operate North it is considering a "possible associa- Government, could provide GM Carolina's Medicaid health care

NEW YORK'S Coffee, Sugar and earnings per share of the top 100 selling contracts on the CPI-W. Indi-

U.S. manufacturing companies. Mr Todd Petzel, the exchange's

contracts will transform corporate

planning. "Companies will be able

economic recession if corporate

earnings do not match the expecta-

the value of the corporate earnings

bour contracts were linked to infla- and academics

index up to two years ahead.

tions of analysts."

U.S. bid for new indices futures

\$2bn and \$3bn.

\$9bn in cash at the end of the quar- profitable business in the U.S. as

ter - more than sufficient to acquire well as perhaps bolstering GM's in-

EDS, which might cost between ternal manufacturing automation

Alternatively, Wall Street analysts are speculating that GM might

man, has said for some time that he data processing for companies un-

is keen to diversify the company in-der extended contracts. Recently

to other fields including electronics. EDS has been winning a sizeable

the provision of software, hardware of the largest contracts ever

and personnel for a variety of data awarded by the U.S. navy and a

chief economist, claims that the rate of interest in the same way.

to protect themselves against an house-building industries and their

Companies would achieve this stock market indices, launched two protection by selling contracts on years ago, the main beneficiaries of

Similarly companies whose la-nessmen, but traders, speculators

suppliers.

with a sizeable springboard into a management system.

EDS, which is a market leader in number of contracts, including one

and robotics systems.

on sales of \$760m.

EDS traditionally provides full

Morgan has also bought 19.9 per

cent of Target Group, and is boost-ing its presence in Hong Kong, New York and Australia. With earnings holding up well, Morgan is predicting a 28.8 per cent increase in dividend this year to

Investors are likely to jump at the chance to buy shares in one of City's premier investment banks, with a good profits record. "That is a share one would go for," said one broker who follows mer-

chant banking stocks closely. A decision to go public would also signal that Morgan Grenfell was determined to go it alone in the UK investment industry shake up rather than seek a merger, the other option open to a merchant bank keen to attract a large amount of capital to support expansion.

# in Occidental

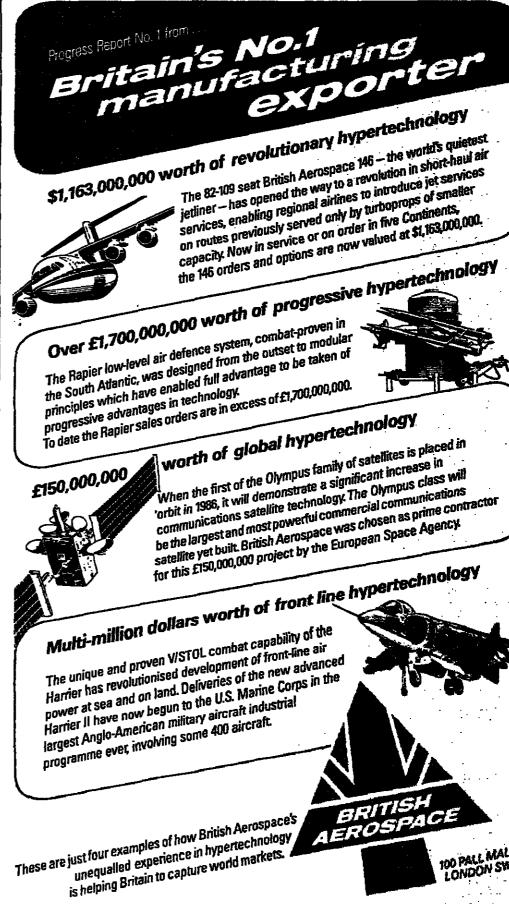
THE Olayan Group, headed by Suli-

spokesman, yesterday confirmed that the Middle Eastern group had increased its stake and said Occidental welcomed the move as further evidence of the Olayan group's confidence in the oil company headed by the 85 year old Dr Armand Hammer Occidental's share price has risen

Ashland said yesterday that the

The profitability of Ashland fell

by 43 per cent in 1983 to S103m after tax. Integon contributed \$13.3m to



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# dex which will measure the average tion could protect themselves by Hew York Sice Operto Osto Paris Propue Reptpant Paris Propue

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain

# W. German strikes spread

Continued from Page 1

tall, said the union wanted a quick have failed. end of the dispute. "The strike is not an end in itself," he said.

A major factor pressing the union is the cost of the strike. So far, IG Metall, which has a strike "war chest" of some DM 450m, may not have disbursed more than DM 4m in strike pay, but that figure could rise very quickly as stoppages and

lock-outs multiply. For all the anxiety about the consequences of a protracted strike, there is no guarantee that new talks between the union and Ge- BMW and General Motors Austria samtmetall, the employers' associa- plants within a week.

Hans Mayr, president of IG Me- tion, will succeed where others

value of their savings and a real

The two other contracts are

aimed primarily at the car and

But judging by the popularity of

the futures contracts on the U.S.

the new contracts, at least in their

early stages, will not be busi-

Stock markets, Page 31

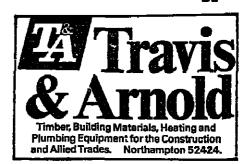
The engineering employers are still adamant - in public at least that the basic 40-hour week remains in force. Instead, they have offered the union a 3.3 per cent pay rise, early retirement facilities and greater flexibility of working hours.

Patrick Blum in Vienna writes: Austrian employers fear the German strikes will force them to make large-scale lay-offs. Up to 3,000 workers could be laid off at the

### SECTION II - INTERNATIONAL COMPANIES

# FINANCIALTIMES

Tuesday May 22 1984



# **Opening quarter upturn** confirms Akzo recovery

BY WALTER ELLIS IN AMSTERDAM

AKZO, the Dutch chemicals and fi- de-icing salt in America as a result bres group, has again confirmed the strength of its recovery with sharp-ly improved results for the first quarter of this year. Sales rose by just over 15 per cent to Fl 4.2bn (\$1.35bn) compared with the first three months of 1983, while earnings jumped three and a half times ch Fl 200m.

Management attributes the im-provement to the effects of costsaving measures adopted over the past year and to a pick-up in demand for fibres. But it should also be recalled that the January-March of sales. For 1983 as a whole, opperiod last year represented a low erating income represented 6.6 per

BY JOHN DAVIES IN FRANKFURT

BANK für Gemeinwirtschaft (BfG),

the West German trade union-

owned bank, expects satisfactory

results this year despite pressure

The bank's surplus on interest

rate business declined to DM 223m

(\$80.8m) in the first quarter of this

year, compared with a quarterly av-

Taking account of commission

earnings and personnel and materi-

reached about DM 70m, compared

with last year's quarterly average of

erage of DM 263m last year.

on interest rate earnings.

of the mild winter there. But the upturn in group fortunes has still been pronounced over the

last 12 months, and this year's first quarter results are distinctly higher even than the third and fourth quarter results of 1983, on which so much of Akzo's annualised performance depended.

Operating income from January to March came to Fl 355m, or 8.5 per cent of sales, which compares favourably with the 1983 first quarter figures of Fl 136m, 3.8 per cent point for Akzo following a decline in cent of sales, and the continuing imthe man-made fibres sector, espe- provement in this area will bring cially in the U.S., and slack sales of particular satisfaction to Mr Arnout sales of miscellaneous products,

BfG sees 'satisfactory' results

he viewed this as a return to nor-

mal profitability after the bank's

BIG more than doubled its interest rate surplus in 1982 and in-

creased it by a further 23 per cent to

After taxes, risk provisions and other adjustments, BfG made a net

all of it into published reserves to

strengthen its financial position.

Loudon, group chairman, who spoke last spring of the need to improve ratios.

Net income per common share advanced from FI 1.71 to FI 5.46 after allowance was made for a recent stock issue.

Man-made fibres had been caus ing serious problems for Akzo throughout the 1970s and early 1980s. Over this year's first quarter however, an operating income in the sector of Fl 88m was recorded, against only FI 8m in the first three months of 1983.

Chemicals, chemical products pharmaceuticals also saw growth in the opening months of this year, but there was a dip in

mismatched lending, with loans be-

ing financed by short-term borrow-

in recent years, including involve-ment with Poland and with Neue

Heimat, the trade union move-

Herr Wegscheider said that ef-

ment's troubled building concern.

forts to restore Neue Heimat to

health were making progress and

BfG's involvement did not exceed a

normal, sound level, considering

It has also had other headaches

ings at higher interest rates.

Miller-Wohl, whose directors

Petrie said it would aquire the

state oil concern.

### Petrie **Stores** set to buy U.S. chain

PETRIE STORES, the U.S. chain which operates more than 850 women's specialty clothing stores under various names in 45 states, is planning to acquire another U.S. chain in the same business

Petrie said yesterday it had entered an agreement with Mr Heinz Eppler, Mr Philip Brous and Mr Myron Nickman - chairman, president and director re-spectively of Miller-Wohl - to purchase from them a total of 3,316,736 Miller-Wohl shares, or about 25.7 per cent of the company's outstanding capital, at \$21 a

were considering a leveraged buyout offer, operates more than 300 stores throughout the U.S., mainly under the names Jean Nicol, Three Sisters and Lizzie B.

remaining Miller-Wohl shares in a tender offer or cash merger. The conditional agreement grants Petrie an option to acquire 2,133,000 common shares directly from Miller-Wohl.

Mr Eppler and Mr Brous are to join Petrie's board, while Mr Brous will continue as Miller-Wohl's president and will become its chief executive.

The merger will create a retailing chain with annual sales of

### The bank last paid a dividend on FRENCH ELECTRIC MOTOR MAKER PREPARES FOR A STORMY YEAR

"super-profit" of 1983.

DM 1.05bn last year.

al costs, partial operating earnings surplus of DM 100m and is putting

# All hands to the pumps at Leroy-Somer

Herr Thomas Wegscheider, the its 1980 results. Like many other

chief executive, said, however, that banks, it ran into problems with

SOME French companies believe 1982, when it took over Alsthom-Atthe worst of the recession is behind lantique's electric motors plant at them, but Leroy-Somer, the coun- Beaucort and its alternators divitry's leading manufacturer of elec-tric motors, is still battening down-tique, a subsidiary of the nationa-the hatches in the expectation of lised CGE group, has so far guaran-

- perhaps the most difficult in our the hon's share of any deficit will history, says M Jean Paul Mestral-fall to Leroy-Somer. let, financial "comptroller" of the group. Turnover, which reached FFr 2.9bn (\$341m) in 1983, will at construction, machine tool mechanbest stagnate this year in real

Leroy-Somer is a medium-sized engineering concern, which, under its combative chairman, M Georges Chavanes, has built itself an international reputation for rapidly responding to market changes. A tors, alternators, gears and pumps, it reckons to be third in its field behind Asea of Sweden and Siemens

The group's new difficulties come just as it is digesting two recent major acquisitions. At the end of last year it bought King Bearing, a Califormia-based distributor of transmission equipment, motors, gears and ball bearings with annual sales

of \$150m. King Bearing enjoyed heady expansion in recent years but went Guinard, tumble as a result of the bankrupt under the weight of its fi- clampdown in irrigation expendinal charges and over-ambitious ture in Saudi Arabia. Pompes Guiplans in Texas. For Leroy-Somer, it nard last year lost FFr 90m-100m in

Its other major acquisition was in ground elsewhere.

teed losses, which amounted to FFr This will be a very difficult year 27m last year. But from this year

> M Mestrailet is anxious about the number of industrial clients in the ical handling sectors which have gone bankrupt. Others have reduced their orders.

More than 60 per cent of the group's turnover still derives from France - the bulk of it from industry. Leroy-Somer maintains that it has seen no sign among purchasers manufacturer of small electric mo- of its equipment of the 11 per cent growth in industrial investment being predicted this year by the Government. Its own instinct is that the buoyant official forecasts reflect increased applications of subsidised credit for investment by companies which, for the moment, will be using the proceeds to finance their

cash needs.

The downturn in the French market follows a year in which Leroy-Somer saw the Saudi Arabian sales of its major subsidiary, Pompes provides a much-needed boost in sales in Saudi Arabia, though this year it has recovered much of the

such as Asea and Siemens still have

Like other small motor manufacket for small standard motors by the Eastern bloc. Manufacturing at well below West European costs, the East Europeans have grabbed some 60 per cent of the French market for standard motors.

Leroy-Somer has increasingly concentrated on the production of more specialised motors. It has also developed a range of new products including heat pumps, portable gen-erating sets which can be fitted to tractors and mini hydroelectric stations. It invested in solar-powered motors before selling out its U.S. interests to Standard Oil in the belief that the market was developing too

At the same time it has spent heavily in automating production. It is in the process of bringing on stream a flexible, computer-controlled, machine tooling workshop at its Rabion plant in Angouleme, and is looking for further cost savings in its motors division by pruning the level of stocks carried by

robotised production units. But faced with a depressed market, it is this year cutting group investment by 25 per cent from last some while.

The overall stagnation in sales year's FFr 150m. The Leroy-Somer comes at a time when competitors parent company believes that it will have to shed 300 jobs this year substantial unused capacity, and through early retirement and is this has provoked lierce discount prepared for larger cuts in the workforce if necessary. Over the last two years it has kept wage inturers. Leroy-Somer has also been creases below the inflation rate - a faced for many years with the mas- task made easier by the modest FFr sive inroads into the European mar. 300,000-350,000 salary taken by M Chavanes himself

> In spite of its problems, Leroy-Somer does not regret its recent acquisitions. Over the medium term it reckons its European-made products could account for 15 per cent of King Bearing's turnover, which this year is expected to rise to \$170m. Of the immediate FFr 97m it had to pay for an initial 50.01 per cent stake in the company, it raised FFr 22m by selling its U.S. solar interests and FFr 38m by what amounts to an interest-free six-year loan through the postponement of French tax payments.

Leroy-Somer's main concern nov is to cut King Bearing's financial charges from a high (by U.S. standards) 4 per cent of turnover to 1

With the Orleans plant, Leroy-Somer now claims to rank as number three in the world as a manufacturer of alternators.

Leroy-Somer believes it can keep its head above water in the difficult period ahead. But after its major acquisitions it is pausing for breath and plans no similar ventures for

### Globus plans to increase vearly payout

By John Wicks in Zurich

MAGAZINE Zum Globus, the Zurich-based department store group, is increasing its dividend for the financial year ended February 29 from SwFr 80 to SwFr 85 (\$37.40) per share and from SwFr 16 to SwFr 17 per participation certifi-

The move follows a 20 per cent mprovement in consolidated earnings to SwFr 18.6m. Group turnwer, including sales of stores in France and Austria, rose by 5.2 per cent to a record SwFr 1.07bn.

Within this total, turnover of the Swiss Globus department stores rose by 4.8 per cent to SwFr 351m and those of the Swiss ABM chain by 2.4 per cent to SwFr 543.9m.

The group at present operates 37 shops, including special stores for men's clothing, furnishings and computer material as well as the general department stores. This year two new ABM stores are to be opened in Switzerland and one in

 New Reinsurance Company, of Geneva, is to propose the omission of a dividend for 1983 following a 9.5 per cent drop in net earnings to SwFr 1.47m. Last year, it distributed SwFr 16 per share from net profits of SwFr 1.62m.

# Atari expects to return to surplus this year

BY LOUISE KEHOE IN SAN FRANCISCO

ATARI, the video game and home computer subsidiary of Warner Communications, which has been operating at a loss for the past 18 months, will be "positioned to move toward profitability" by July 1, de-clares Mr James Morgan, chief ex-

In an effort to return to profitability, the company will launch at least ight major new products covering its four markets - video game hard-ware and software and home computer hardware and software - before the end of the year, said Mr Morgan, who yesterday announced a new Atari video player. The new products would produce profits for Atari before the end of 1984, he pre-

Mr Morgan revealed that when he joined Atari last September the company had as many as 40 product development programmes un-der way. All but 12 of them have now been axed. He has also made a number of management changes. The latest involves the sales vicepresident, Mr Donald Kingsborough, who is understood to have been encouraged to leave the com-

Atari's entry into the program-mable telephone market has been postponed, said Mr Morgan.

degree of financial conservatism he said. "If Atari had funds, it could take the risk, but it does not." In addition, he said, "Atari has a lot to learn about the distribution and sale of sophisticated equipment. Our distribution chains would not be suited to the product." Despite the dramatic reversal in

home video game sales over the past two years, Mr Morgan remains 'sanguine about the market." He estimates that hardware and software sales will together be worth at least

With only two or three compa-"The problem for Atari is how to nies left in the business, we can

enter the (telephone) market with a make a lot of money," he said.

## Norsk Hydro to sell oil products again

BY FAY GJESTER IN OSLO

NORSK HYDRO, Norway's largest tion that it would be made operator industrial and energy concern, is to of new capacity which is to be begin retailing oil products again in its domestic market.

Hydro operates a chain of petrol stations in Denmark, but over recent years has been barred under an agreement with the Norwegian Oil Ministry from retailing oil products in Norway. The agreement dates from 1976, and followed the creation of Norol, the oil products marketing subsidiary of Statoil, the

At that time Norol acquired Hydro's oil product marketing network - including one petrol station in eastern Norway. Norsk Hydro undertook not to re-enter the market until 1991 at the earliest, on condi-

NORZINK, the Norwegian zinc

smelter owned jointly by BP Miner-

als International and Boliden of

Sweden, achieved a pre-tax profit of

1982. The improvement reflects a

marked rise in world demand for

added to the Mongstad oil refinery in western Norway, which it owns iointly with Statoil.

Both Statoil and Norsk Hydro want the agreement annulied. Statoil wants to be responsible for operating the additional capacity at Mongstad and Hydro wants to be able to market oil products in Norway, as well as abroad.

The new deal will take effect when the Storting (parliament) approves government plans - tabled recently - for an expansion of capacity at Mongstad. Thereafter, Hydro will be looking for an opportuni-

favourable exchange rates.

Net operating income rose by NKr 123m to NKr 664.4m. If de-

mand for zinc continues to be good,

The company will decide before

### Ship and rig sales lift Fred. Olsen

By Our Oslo Correspondent

FRED OLSEN'S shipping group reports higher net profits for last year than in 1982, despite a marked decline in operating results. The five companies in the group are increas ing dividens to 15 per cent from 12 per cent in 1982.

The better figures mainly reflect sharply lower financial costs and substantially increased profits from ship and rig sales.

Total operating profits fell to NKr 193.3m (\$24.6m) from NKr 246.3m in 1982. The decline was most marked in the liner, passenger and bulk sectors, but even profits on offshore activities, although satisfactory, were lower than a year earlier.

The result before extraordinary items rose to NKr 37.9m from NKr 18.8m and profits before end-year allocations were NKr 76.3m compared with NKr 29.8m.

The group figures show an increase in current assets to NKr 530.3m, from NKr 368m while total debt declined to NKr 938m from NKr 1,200m a year earlier. Longterm debt was down NKr 282m to NKr 438m and short-term debt was

lower raw material costs and more with plans to modernise the plant. I the value of the U.S. dollar.

### Vatican agrees to **Ambrosiano** settlement

By Alan Friedman in Rome

THE VATICAN bank, IOR, has initialled the \$406m financial settlement of the Banco Ambrosiano affair, thus clearing the way for a formal signing ceremony at the end of

After several days of final nego-tiations between lawyers for IOR (Istituto per le Opere di Religione) and representatives of Ambrosiano creditor banks, the parties agreed on a revised draft with which the Vatican was satisfied. Although the actual settlement, of which the IOR is to pay \$244m, was sent to creditor banks earlier this month, the Vatican held out for last-minute

In particular, the IOR has been seeking to strengthen its indemnification from further claims. The creditors' guarantees have been re-worded and the IOR is now willing to go ahead. This breakthrough came after bankers and lawyers flew to Rome late last week for talks. One banker claimed the IOR was seeking indemnifications "which are well outside the scope of our agreement." But a lawyer who participated in the weekend talks in Rome said: "We have been redrafting the guarantees for the IOR and am now optimistic."

The Vatican bank is to pay \$244m to Ambrosiano creditors, repre-senting 60 per cent of the overall settlement, "in recognition of moral involvement."

For many months the Vatican refused to accept any legal responsibility in the Ambrosiano affair. But late last year the creditors prepared an unprecedented writ for use against the IOR. Although never served, this writ and pressure from Italian authorities eventually persuaded the Vatican to agree to make a hefty financial payment.

While the claims of creditor banks against the IOR will be dropped as a result of its payment, Archbishop Paul Marcinkus, chairman of the IOR, is still under investigation by Milan magistrates for fraud in the 1982 collapse of Banco Ambrosiano. He is also under sepaabout unchanged at NKr 500m. Net | rate investigation along with two of interest costs fell to only NKr 20.5m his IOR associates concerning possible illegalities in connection with Kroner earnings in several trades | a 1972 loan of L30bn (517.5m) to Sig

Norzink back in black

NKr 40.7m (\$5.17m) last year, compared with a deficit of NKr 29.8m in result this year.

This announcement appears as a matter of record only



# Companhia Nacional de Petroquímica, E.P.

£31,000,000

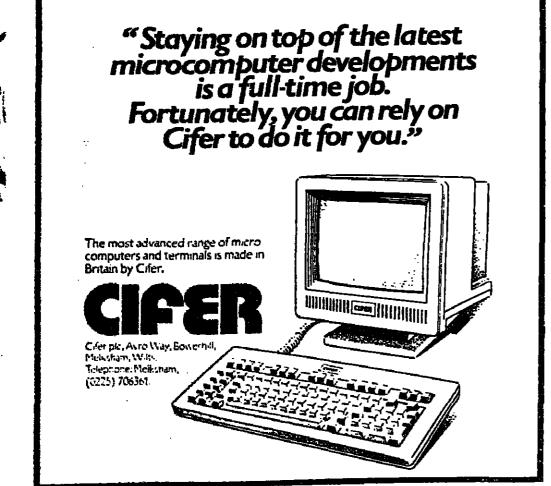
Loan and Acceptance Credit Facility

Arranged by Lloyds Bank International Limited

Provided by Arab Banking Corporation (ABC)

Lloyds Bank International Limited Williams & Glyn's Bank plc Westpac Banking Corporation The Dai-Ichi Kangyo Bank, Limited The Kyowa Bank, Ltd. The Taiyo Kobe Bank, Limited Bank of Ireland Al Saudi Banque Associated Japanese Bank (International) Limited

Lloyds Bank International



### INTERNATIONAL COMPANIES and FINANCE

# BANCO PINTO & BANCO PINTO & SOTTO MAYOR U.S. \$30,000,000 Floating Rate Notes Due 1985

In accordance with the provisions of the above Notes, notice is hereby given that the rate of interest for the Interest Period from May 18, 1984 to November 19, 1984 has been established at 1212% per annum. Interest due at the end of the Interest Period of US\$321.18 will be available upon surrender to any of the Paying Agents of



American Express International Banking Corporation

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For the three months
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The notes will carry an interest rate of 111166 per annum with a coupon amount of U.S.\$305.07. The relevant interest payment date will be 21st August, 1984. Listed on the London Stock Exchange Bankers Trust Company

# Interim advance for **Barlow Rand group**

ATTRIBUTABLE earnings at turn, which manifested itself in Barlow Rand rose by 19 per the second half of the previous cent in the six months ended financial year, cannot be susmarch, from R103.1m to R122.7m (895.2m) despite R8-1m of additional taxes ever, "the group has, as far as arising from changes announced by the grownment in March. by the government in March. But for the new tax measures, But for the new tax measures, earnings per share would have been up by 17.3 per cent, after operating profits before in allowing for the additional 12m preferred ordinary shares issued in connection with the R149m rights issue early in the current year. After allowing for the new tax measures, per cent leap to R392.7m. After earnings per share at Barlows, accounting for the higher tax South Africa's largest industrial charges and Barlow's share of South Africa's largest industrial

group, were up by 10 per cent, from 68.8 cents to 75.7 cents.

An unchanged interim dividend of 21 cents a share has been declared, and Mr Mike Rosholt, the chairman, said "it should be possible at least to maintain the total ordinary same six months, total liabilities dividend for the year at 70 total shareholders' funds were reduced from 88 per cent."

mr Rosholt said, "trading to 84 per cent, and total borrowresults for the six months ings to total shareholders' funds exceeded expectations. Increased operating profits cent to 41 per cent.
resulted from better trading and from improved efficiencies in all divisions." However, it is expected that trading conditions for the second half of the year will become more difficult.

"With the decline in the gold price, the cost of the drought and the consequent weakening of the South African balance of payments position together ings to total shareholders' funds were pulled down from 44 per cent to 41 per cent.

With turnover up 20.4 per cent rise and debtors rose by a bare 15 per cent. Current liabilities rose by no more than 9 per cent.

Despite the cautious view which Barlows is taking of the immediate future, it is still proceding with long-term investpayments position together and development plans. payments position together ment and development plans, with the recently announced increase in general sales tax, it for the group as a whole now has become clear that the upstand at R1.54bn.

change in the business climate." Turnover rose by 20.4 per

charges and Barlow's share of associated company profits, pro-fit after tax showed a 26.8 per cent gain to R136.2m.

ents." were reduced from 88 per cent Mr Rosholt said, "trading to 84 per cent, and total borrow-

**Further** expansion by Citibank in Asia

By David Dodwell in Hong Kong

CITIBANK HAS acquired Mercantile Bank, which has operations in Hong Kong, London, and Thailand, from the Hongkong and Shanghai Banking Corporation for HK\$145m (U.S.S1S.5m), Mr Victor Menzes, Citibank's country corporate officer based

that Mercantile would retain its own name. White expansion is planned in all three of Mercan-ule's teritories, Mr Menezes said an important attraction of the deal was its branches in Thai-land, where Citibank has only a representative office and a finance company. The purchase adds a final link to its inter-ntaional banking chain across the countries of Asia.

The purchase comes as part of an expansion in Citibank's operations in Asia, which in-cludes the recent establishment of Citicorp Trading Company, and the purchase of a major stake in Vickers da Costa, the UK stock broking company. While Citibank has just 29.9 per cent of the shares of Vickers da Costa in London, it owns 100 per cent of Vickers' operations in Tokyo and Hong Kong.

When Mercantile was acquired by Hong Kong Bank about three decades ago, it was predominantly an Indian banking group, with over 20 branches in India and Mauritius

# Acquisitions help ANZ lift net earnings by 36%

Zealand Bank Group, the saw volatile interest rates and second largest of the private squeezed margins for the banks, second largest of the private
Australian banks, has reported
a 36 per cent increase in
net earnings to AS136m
(U.S.\$122m) for the half year
to March 31 including A\$10.4m
of profits from acquisitions.
Excluding profits for nine
Excluding profits for nine
Excluding profits for nine

Squeezed margins for the banks, sque

THE AUSTRALIAN and New The opening half of last year

of profits from acquisitions.

Excluding profits for nine months of operations from the fund's management group, Development Finance corporation, which was acquired last year, returns from other segments were ahead by 25.5 per cent to A\$125.4m.

This compares with the 41 per cent improvement to A\$143.5m reported by Westpac Banking Corporation, the industry leader, 10 days ago and confirms the improvement in lending margins Australian in lending margins Australian to A\$255m.

Meanwhile the reduction is interest this time is evident in the modest 4.9 per cent growth in gross income reported by the ANZ to A\$1.58bn for the latest six months, although more important in interest costs to A\$833m.

However, ANZ was unable to translate this reduction in interest charges fully to the bottom line, partly reflecting a 17 per cent increase form A\$125m to A\$63.5m for the savings bank, a 20 per cent gain to A\$16.5m for the savings bank, a 36 per cent gain to A\$155m and a steady A\$27m from finance company offshoots.

The bank has warned that white a satisfactory result should be achieved for the full year compared with A\$197m for 1982-83 the level of growth of the first half was not expected to be maintained. The interim dividend has THE PARTY OF THE P

Dusii

been raised from 14 cents to

### **Email doubles profits and** rejects bid from Austram

Higher tax hits Suzuki Motor

SUZUKI MOTOR lifted parent final dividend is raised from company pre-tax profits by 10.9 Y3 to Y3.5 lifting the total per cent to Y10.82bn (\$46.4m) from Y6 to Y6.5 per share. In the year to March 31, but, Net earnings for the current

after higher corporation tax, year are forecast to rise by net earnings were 24.1 per cent 10 per cent to Y5.5bn and prelower at Y5bn. Sales fell by 3.3 per cent to Y524.26bn.

Earnings per share fell to Y11bn on sales up by 10.6 per Y21.89 on 296m shares from Y23.37 on 282m shares but the dividend at Y6.5 a share.

EMAIL, the Australian white ment in demand for its cookets goods group, has produced a and refrigerators and its govern-strong profits recovery, a forecast of further improvement and nesses. a scrip issue plus an increase in dividend as its riposte to an

criticised the partial offer of ASI.70 a share from the Austram group, which would give the bidder 50.1 per cent of Emails, as opportunistic and urged shareholders to reject. White Consolidated Industries of the U.S., a 15 per cent shareholder, has asked the Australian authorities for permission to increase its holding to 19.9 per current year.

It is these forecasts which

The result represents a return of 17.2 cents a share compared opposed takover bid.

The company has roundly tors have recommended an criticised the partial offer of increase in the final payment A\$1.70 a share from the Austram from 3.5 cents to 6.5 cents for

The net earnings for the latest year to March 31 rebounded from AS7m to AS134m little known Austram group.

(U.S.\$12.2m) as the group benefited from a two year rationalisation. (U.S.\$12.2m) as the group bene. The bid values Email at fited from a two year rationalisation programme and an improve-asset value of \$1.85 per share.

## up by 15% at six months

**Custom Credit** 

CUSTOM CREDIT Holdings, the National Australian Bank finance offshoot, has reported a 15 per cent increase in net profits to A\$14m (US\$12.5m) for the six months to March 31. The improvement from the depressed A\$12.2m achieved by the two companies now merced the two companies now merged as Custom Credit, however, represents a retreat from the A\$16.5m profit for the final six months of 1982-83.

months of 1982-83.

The lower revel of interest rates led to a 7 per cent fall in gress revenues to A\$227m, although this was more than offset by a 12.7 per cent reduction in the interest expenses to A\$147m. Profits before tax were 4.5 per cent ahead at A\$21m.

In the 12 months between

In the 12 months between the two interim reports Custom Credit saw net receivables slip from A\$2.48bn to A\$2.41bn as new business went ahead by 8 per cent, and the group selectively reduced its involvement in real estate. This process caused it to call on A\$14m of previously established loss provision in the half-year as it unloaded its worst properties.

The directors noted that the In the 12 months between The directors noted that the de-regulation of the Australian financial system was producing even stronger competition for available business and that receivables growth and margins would continue to be under pressure.

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# **Import** nowmake it later

BY ELAINE WILLIAMS

IT IS a far cry from working for a big company promoting the virtues of its computers to setting out on your own selling imported industrial and domestic awnings. Yet, that is the route that Valerie Baillie decided to take after talking to a colleague in a local pub.

Baillie's job as a communica-Battle's job as a communica-tions manager involved much travelling around Europe, parti-cularly the Netherlands, France and West Germany. She noticed how attractive conti-nental homes looked with brightly coloured awnings. Large numbers of office blocks also had external blinds for suralso had external blinds for sun protection.

When she pointed this out to her friend, Gerald Kujawsky, over a drink and pondered on whether there was a market for such awnings in the UK, he was immediately interested because he had worked for a blind and awnings company in his native West Germany while he paid his way through

"We floated the idea past a few people—friends, a City ac-countant, our solicitor. The response was enthusiastic," re-calls Bailie. "We did a test advert last September to find out the response in commercial and industrial fields and now we have several quotes for contracts worth between £10,000 and £40,000."

Kujawsky handled all the ne-gotiations with Merkel, one of the largest blind companies in West Germany, based at Baiers-dorf near Nuremburg. Merkel has about 14 per cent of the domestic market and a turnover of about £10m, selling up to 18,000 awaings a year. Kujawsky estimates that about 40 to 60 per cent of homes in West Germany have external awnings, but the figure is only

1 per cent in Britain. Surprisingly, Merkel sells only to German-speaking countries so Kujawsky and Baillie managed to obtain the rights to the UK and other English-

 $x\mapsto i(Y_{\mathcal{T}_{i,j}})$ 

.



the next two years

tween £300 and £1,000 and as is usual with many "made-to-order" businesses, Continental Awnings will ask for a deposit of between 30 and 50 per cent of the total cost. Baillie was able to raise £25,000 from Lloyds Bank with little diffi-

Continental Awnings will aim at the upper end of the market. Offices as well as restaurants and pubs are among its targets and marketing will be done through advertising and direct mail aimed at architects, office and factory administrators, initially in the southern half of

Benefits for offices, maintains Baillie, are that awnings reduce glare and help to avoid overworking air conditioning systems, while awnings on pubs mean "that the kids sitting in the garden don't have to rush to the car when it rains."

Baillie admits that she finds awnings much more exciting than computers. Her decision to leave the computer industry was prompted by frustration at the realisation that, as a woman, further promotion would be difficult. Only by setting up her own company will she have the freedom to try out her own ideas, she explains.

working at the small offices and showrooms at Kennedy's garden centre at Twyford, near Reading. Kujawsky, trained as a computer scientist, left his old job in February and has been supervising construction at the centre.

Outside the wooden building two swimming pools are under construction as the company also took over an Australian company franchise for the pools as a way of getting onto the

This, too, was a lucky chance as Baillie's solicitor had a client who was looking for such an outlet to sell the pools and Kennedy's wanted to add swimming pools to its complex.

This year Baillie is aiming for sales of £100,000 mainly with a part-time staff—mostly friends. If sales in Britain reach a target of 300 awnings a year Continental Awnings will start manufacturing here. Merkel is willing to provide funds and the knowbow. Valerie Baillie is confident that she will have her own factory within the next two years.

### Co-operatives

IN LAST Tuesday's article on pany, Continental Awnings.

Their business is not capital intensive. Awnings cost be move from part- to full-time in the private and not £5.4m. When loyalty may

be bought with 'golden handcuffs'

SMALL COMPANIES in the UK vated to do well. are currently displaying a lively interest in executive share schemes. Accountants, solicitors and the Inland Revenue all report a surge of inquiries from businesses of all shapes and sizes following the announcement in this year's Budget of new concessions for executive share options. Other factors, however, have combined to boost the appeal of what until not very long ago was considered the large, quoted company's preserve.

The case for an employee share scheme is far from unambiguous, Small, unquoted companies are typically controlled by small groups of people, often members of the same family who may not relish having outside minority shareholders with legal rights intervening in the company's affairs. It has also been argued that a small stake of an unquoted company is a dubious privilege and holds out little prospect of worthwhile gain.
Attitudes, however, appear to

be slowly changing.

While manufacturing activity has been in relative decline, for example, the service sector of the economy has been ex-panding fast. The majority of panding fast. The majority of new companies (software houses, design consultancies, for example) are "people businesses" dependent on the skills and loyalty of key employees both inside and outside the boardroom. A "slice of the action" through an employee share scheme is thus increasingly being considered as a vakuable way of recruiting, retaining and motivating these important

and motivating these important individuals. More companies than ever before are now aiming to go public either through a full list-

public eather through a full list-ing on the Stock Exchange or by joining the burgeoning Un-listed Securities Market (USM) or the Over-the-Counter (OTC) markets. No ambitious business plan these days is complete without an indication that a listwithout an innication that a list-ing of some sort is part of the medium term strategy. Such an objective, if fulfilled, enables employee shareholders to cash in on their success.

The rapid growth of venture

apital in the UK has also been a significant influence. Encouraged largely by experience in the United States, UK-based venture capitalists now only invest their however, emphasised that no money in companies whose manaction can be taken until the agement teams are suitably moti-

generally cannot be granted on the shares of a subsidiary. means key employees having a stake—or the opportunity to pur-chase a stake—in the capital appreciation of their business, as well as a satisfactory income.

The pressure on unquoted companies to set up employee share schemes is obviously in-creased when quoted competitors (take advertising agencies or insurance brokers, for example) already have schemes in place. Unquoted companies, however

enjoy some powerful advantages over their quoted counterparts, according to David Reed, a tax citors Clifford-Turner. The constraints, such as limitations on numbers of shares which Stock Exchange Rules and institutional investors' Investment Protection Committee guidelines impose, for example, can mostly be avoided. And, more important, minority shareholdings in unquoted companies can be valued at the time options are granted on a heavily discounted basis to reflect the very limited rights enjoyed by a smallholder. The point here is that a huge potential capital appreciation can be enjoyed by an executive who either buys or receives an option over shares in a company when it is small and unquoted and who divests a few years later after a public listing has been obtained

Finally, but crucially, shares or options in an unquoted com-pany can effectively act as "golden handcuffs" on key employees tempted to move. Schemes can (and advisers say should) be designed so that outgoing em-ployees have to sell their shares or relinquish their options and thereby forfeit their stake in the future growth of the company.

Broadly speaking, companies can either make a block of shares directly available to chosen em-ployees (say under the profit sharing provisions of the 1978 Finance Act) or set up a share option scheme, using the pro-visions outlined in the current Finance Bill (see bold inset). The Inland Revenue says it has been fielding numerous inquiries since the budget and already has more than 20 outline schemes awaiting approval. A Revenue spokesman,

MUCH of the recent interest in employee share participa-tion has been sparked off by details in the Finance Bill of a new inland Revenue-approved share option scheme. The scheme is open to listed and unlisted com-panies alike, although options

Tim Dickson reports on the increasing potential of executive share schemes

This scheme should not be confused with the established Inland Revenue approved Save As You Earn (SAYE) share option scheme, intro-duced in the 1980 Finance Act. Under this participants can claim substantial tax advantages but have to enter into a regular savings contract either with a building society or the Department for National Savings (shortly to go up from a maximum £50 to £100 a month) for at least five years. The employing company, moreover, is required to make membership of the scheme available to all their qualifying full-time employees. Onties

Options under the nev scheme, by contrast, need not be granted to all employees; no regular saving is required; and the sums involved and potential gains to the em-ployee can be significantly

# Fashioned for a selected few

Although Although "unapproved" schemes of this nature have been used in the past, they were widely considered unattractive since participants had not only to pay income tax on any gain arising, but had to meet this liability to the taxwan at the moment the taxman at the moment their option was exercises. Under the proposed new arrangements capital gains tax will be chargeable (this is will be chargeable (this is 30 per cent compared with a top marginal income tzz rate of 60 per cent) and it will only apply on the eventual disposal of the shares when cash proceeds arise. The main conditions which have to be met to gain Revenue approval are as fol-

• The price paid on the exercise of the option must be clearly stated at the time it is granted and must not be "manifestly" less than the then market value.

No option may be exercised earlier than five years or later than ten years after

granted. Employees may not exercise options more fre-

• Participation is re-stricted to full-time directors and employees. An individual in close companies (broadly one controlled by five or fewer shareholders) may not join if — together with associates — he or she owns more than 5 per cent of the shares.

• The rights of an employee cannot be transferred, though if an employee dies his or her personal representatives can exercise the option within a

that some of the restrictions may yet be eased. But accordmay yet be eaself. But according to George Copeman, an expert on employee share schemes at Copeman Paterson, "the only change likely in the Bill as it now stands is some extra guidance on takenovers."

### A profitable route to participation

"WHEN WE were setting up well have been obtained else- the gain can be completely the company last July," explains David Bean, managing director of Bath-based software engineers Praxis Systems, "we decided we wanted to create a top quality working environ-

"The aim was to develop some notion of democracy among employees and to make them realise their value to the company by sharing in its capital appreci-

Many start-up businesses, of course, bite the dust in Year One—but Praxis, which uses formal engineering design methods and works for major companies like GEC and ICL, has happily got off to a flying start.

The company is confident that it will "comfortably exceed" its projected first year turnover of £410,000 and has already passed its profit target of £78,000; it boasts a payroll of 22 which it expects to double over the next 12 months; and it seems to be more than justifying the deci-sion by Coutts Bank to provide a £75.000 loan under the Govern ment's Loan Guarantee Scheme. (Bean admits that finance might

R and D at Logica VTS in Swindon, and Praxis chairman, Martyn Thomas, (formerly deputy director of the South West Universities Regional Computer Centre at the University of Bath) decided that employee participation was best achieved in their case through a profitsharing scheme under the terms of the 1978 Finance Act. The latest provisions on share options had not been introduced when they started work on the scheme six months ago though Bean says they might be helpful

in the future.

Under the profit-sharing scheme the company provides funds to trustees out of its annual profits. They purchase shares and earmark ("appropri-ate") them for the benefit of individual directors and em-

where but by keeping 100 per cent of the equity, he points layed until the seventh amiout: "We have something to give away if we want to step up our expansion.")

Bean, formerly manager of the advantages of the the advantages of the scheme is the way profits are retained for development of business.

Praxis, meanwhile, is also setting up another trust (also financed by loans from the company) which will act as a mar-ket maker buying and selling shares from employees at prices based on an independent valua-tion. "The whole idea of the profit-sharing arrangement is that our *employees* should benefit and as a private com-pany we cannot afford to see our shares drifting into the out-side world. We therefore want to make sure that individuals sell their stakes back to this second trust when they leave." Praxis, however, has not yet been able to persuade the Inland Revenue to agree to a condition that the trustees of Normally the trustees have to the first trust should be rehang on to them for at least quired to sell to the second two years, but income tax on trust in these circumstances.

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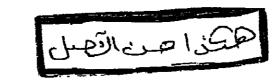
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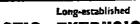
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# 'You're only as good as your last cast' Military turn for

BY PETER MARSH

WHEN Jim Mills took over as chief executive of a castings company in the Midlands after a management buy-out, his fellow directors presented him with a mounted bicycle clip.

The device was to assist Mr Mills's get-away in the event of a decline in the company's fortunes. At the time of the buy-out, three years ago, the

auspicious, Mr Mills and his three directors had just purchased the company from Lesney, the ailing toy enterprise which later went into receivership.

The industry of which the company was part had gone into steep decline. Output of aluminium castings in the UK had decreased from 58,000 tonnes in 1973 to 35,000 tonnes just eight years later. (The figure for 1983 was 32,000

Pressure from customers to increase the quality of castings was growing ever tighter, driving companies either to despair or to the bankruptcy courts. But Mr Mills has not needed

his bicycle clip.
His company has expanded its share of the British aluminium castings market from 15 per cent in 1980 to 19 per cent

Metal Castings bases its business on either buying or developing technology to control more tightly the intricate operations that take place during the casting process. ing the casting process.

Investing in new ideas can be a risky business in an industry where margins are tight and where customers are unlikely to think kindly of bold experiments that fail.

"We've taken a few fliers on technology, but the gamble have mainly come off," declares Mr Mills. "In this business, you're only as good as your last cast and your last price."

The company aims to spend

£500,000 a year (out of a turn-over of £14m) on new hardware. This includes additions to a small army of robots that take objects out of the company's 70 or so die-casting machines. With the machines, molten

aluminium at 700 deg C is spurted under high pressure between the two halves of a die. This produces a metal component of a shape that may be highly intricate.

A die-casting machine can cost up to £150,000. In the absence of suitable hardware from Britain, Metal Castings developments have been driven the



Metal Castings of Worcester has brought process-control techniques to die-casting machines such as this one. A fitter here checks on a die used to turn out intricate metal parts in their tens of thousands

purchases mainly from foreign by the need to increase the Britain's biggest owner of fully suppliers such as Idra and quality of the company's pro- programmable robots. It has Triulzi of Italy or Wotan, a company in Germany.

• Designed a control system move by Britain's car makers to more," says Pe that links robots to casting raise the quality of its own proplant engineer. machines. The company hopes to sell the hardware to other

 Developed and installed a system of energy-saving furnaces which cuts the company's costs for melting aluminium by about £80,000 a year, a reduction of some 30 per cent.

• Signed an agreement with Elmonta, a company in Den-mark, under which the latter Castings, a set of automated handling devices that ladle Metal Castings employs 40 molten aluminium into casting out of its workforce of 650 to machines.

 Developed its own expertise in computerised machining. The company has bought, second-hand, a computerised machining centre that will shape finished castings to give a better service

According to Mr Mills, these

ducts. The car industry buys half of the Worcester company's output of some 20m castings a year (which may come in up to 500 different shapes and sizes).

The customers include BL, Ford and Vauxhall which, for example, buy castings for engine parts. The consumerproducts industry buys a further 25 per cent of Metal Casting's production. The industry uses sells the furnaces together with the castings in items such as another invention from Metal food mixers, washing machines

> check on the quality of cast-ings, using instruments such as X-ray machines. The equipment examines metal for faults and ensures that parts are made to tolerances sometimes to within a few hundredths of a milimetre.
> Outside the car industry,

ducts. In the past five years 17 of the devices, supplied by customers have become more either Unimation or Rimrock, Within the past year, Metal fussy about the standard of both of the U.S. The company installed its first robot in other areas. It has:

This, in part, reflects the pany installed its first robot in other areas. It has:

Designed a control system move by Britain's car makers to more," says Peter Watts, the

The robots wheel away in a set routine, first to grab a metal part from between the two halves of a die, then to cool the component by dunking it in a bath of water and, finally, to present it to a trimming machine that slices off unwanted pieces of metal.

Metal Castings has three more "ladle" robots that it developed itself and which Elmonta of Denmark sells for about £7,000 each. These devices scoop a measured volume of molten aluminium from a vat and pour it automatically into the die-casting machine

A piston then pushes the liquid between the twin parts of the die, where it remains for perhaps a few seconds, compressed by a force of up to 1,400 tonnes, before the two halves spring apart Mr Watts explains that to

keep constant the quality of finished parts, it is vital to control accurately each segment of the die-casting operation. In the days before automation. to supervise individual parts of the operation, for example, the volume of metal that enters the die and the time it stays

there.

Metal Castings wanted an electronic control system to supervise the different stages automatically. "We couldn't buy what we wanted," says Mr Watts. "So we built our own." The resuit is the Metal Cast-

ings Universal Control System, of which the company has made two. It plans to sell the £20,000 system to other organisations. In another area of innovation, the Worcester company modified its furnaces that melt aluminium bars. The furnace's output must be transferred into small vats which journey to each die-casting machine by

fork-lift truck The company used to operate two big gas-fired furnaces each of which produced two tonnes of molten aluminium an hour

for 24 hours a day.

Every three minutes, workers had to stop the heating opera-tion to tilt metal from the furnaces into the vats. The process wasted a lot of energy because, during each tilting, the metal cooled.

Metal Castings hit on the notion of designing small, highly insulated "holding" fur-naces which receive metal from the big furnaces only every 45 minutes and from which the

wats are topped up.
With two of the new containers, which are powered electrically and hold up to 6 tones of aluminium, the company of the co pany thinks it will need to operate only one of its big furnaces, cutting energy costs. To melt one tonne of aluminium costs £15 with the new method, a reduction of £6.

a reduction of £6.

Mr Watts developed the new furnace jointly with an engineer called David King, who is the British representative of Elmonta. They called the invention the WattKing Holder. Elmonta sells the furnaces for about £42,000 each.

One technical area that Metal Castings prefers to shun con-cerns the manufacture of the dies themselves. To produce these-from a set of drawings provided by the customer of the part it wants made—is a highly skilled engineering task. Metal Castings subcontracts the job to specialist companies

**NAVIGATION** 

# laser gyroscopes

BY MARK MEREDITH

The laser gyroscope will even-tually become standard for rocket and missile guidance systems—it could even find employment in the machinery used in drilling for oil.

Preparing for fierce commer-cial battle are half a dozen U.S. and European producers of ring laser gyros, a system which has made an entry into civil avlation but has yet to penetrate the lucrative and demanding military market.

These producers have their eyes on the 1,000 or so aircraft produced in the U.S. and the hundreds produced in Europe -not to mention thousands of potential replacements, at possibly £70,000 a time, for aircraft like the F-5 Freedom fighter, the F-4 Phantom, the A-4 Skyhawk and the F-18 Hornet. potential replacements, at pos-

At the heart of an aircraft's navigation system is the gyro, which directly gives the pilot constant information about the attitude of his aircraft: its pitch, roll and heading-

Until now the "iron" gyros have become established and accepted rather like more durable versions of the Swiss wind-up watch. The systems use a cluster of three gyros set at right angles to the up-down, side to side, and forward movements. Gimbals keep the spin-ing gyros stable in one position whatever the movement of the plane. the

Instruments measure the movement on the aircraft in relation to the position of the gyro to tell the pilot the attitude of his plane. His position in relation to where he started is calculated by linking the gyros to accelerometers, sensors which act like pressure pads measuring the force of move-

The development of the ring laser gyro eliminates the need to have a gimballed system. Movement is monitored by three triangular laser tubes set against the three axes. Laser beams are fired in two directions around each tube bouncing

A TECHNOLOGICAL revolu- frequencies of the two laser tion is under way in the navi- beams in each tube are the gation equipment carried on same. But when the tube is gation equipment carried on same. But when the tube is aircraft, as laser-based systems rotated with the movement of the aircraft, the length of the aircraft, the length of the optical path of each beam changes—one gets longer, the tube is rotated with the movement of the aircraft, the length of the optical path of each beam changes—one gets longer, the other shorter, resulting in a tube is rotated with the movement of the aircraft, the length of the aircraft, the length of the optical path of each beam changes—one gets longer, the other shorter, resulting in a tube is rotated with the movement of the tube is rotated with the movement of the aircraft, the length of the aircraft, the length of the optical path of each beam changes—one gets longer, the length of the aircraft, the length of the optical path of each beam changes—one gets longer, the length of the aircraft, the length of the optical path of each beam changes—one gets longer, the length of the aircraft and the length of the len quency between the two beams. Optical sensors pick up the difference in frequencies. Computers collate the information from each tube along with the accelerometers to provide the pilot with

his position over the ground and the altitude of his plane. The ring laser gyro has been in development for 20 years with the most intensive work carried out over the past few years. All manufacturers have had to overcome a fundamental problem in that lasers failed to monitor small rotary move-ments. Companies such as Ferranti had to develop devices—" dithers "—to vibrate each laser just enough to bridge this small range of

movement More problems were to come when the system was applied to military uses.

The civil aviation environment is considered benign by military standards. A civilian airliner seldom rolls more than 50 degrees a second whereas a form 400 degrees in the same period.

But the military have so far failed to give the ring laser the go-ahead because of continued weaknesses with high velocity rotation.

The Royal Aircraft Establishment at Farnborough has just taken competitive bids from Ferranti and British Aerospace to produce a system which will overcome these problems. All this said, it is not the price or—at the moment—the performance of the ring laser

gyro that will see it on to the

order books of the world's air-

forces. It is the costs of main David Nisbet, head of inertial navigation systems with Ferranti's Scottish Division, ex-plains that the laser allows near plug-in replacement com-pared with complex removal

" Maintenance costs are about off mirrors in the corners.

When the gyro is still, the aviation experience," he said.

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### Racal-new test units

SUITABLE TEST units for the cellular radio system the company will be putting on trial in December. have been announced by Racal. The CE 4416, from Racal-Dana, is a compact micro-processor centrolled system. It consists of a controller. processor controlled system.
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monitor and printer offering
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via menus that guide the
technician through each
function with minimum train-

Cost and test time are reduced by combining in one system the necessary communications instrumentations and a micro-based controller that duplicates the command structure of the cellular net-work. The controller can function as a stand-alone digital decoder at the cell site and also offers a programmer for coding the memories used in

Facsimile

### HF radio techniques

developed a digital system for the transmission of facsimile

to interest the offshore industry, defence organisa-tions and other bodies that operate in remote locations where HF radio is the only feasible means of count

Cossor says that the use of digital transmission has eliminated problems that might be caused by fading and multi-path transinterference.

The system uses Comor's CGT1070 multitume HF data modem and the NEC Nefax-4500 desktop fascimile transceiver. CCITT Group

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### FT COMMERCIAL LAW REPORTS

# Shipowners must supervise charts

THE MARION: House of Lords (Lord Diplock, Lord Scarman, Lord Roskill, Lord Brandon of Oakbrook and Lord Brightman), May 17 1984

A SHIP'S managers should maintain a proper supervisory system to ensure that charts used by the master are kept up-to-date, and their failure to carry out that responsibility is the actual fault of the shipowner and renders him fully liable for navigational damage resulting from use of outdated

The House of Lords so held when dismissing an appeal by Grand Champion Tankers Ltd. owners of the Marion, from a Court of Appeal decision that they were not entitled to limita-tion of their liability for damage caused by the Marion to an oil pipeline owned by Norpipe A/S of Norway and others.

Section 503 of the Merchant Shipping Act 1894 as amended by the Merchant Shipping (Liability of Shipowners and Others) Act 1958, provides: "The owners of a ship . . . shall not, where . . . occurrences take place without their actual for the print of their actual for their contract of the shall or print of their contract of their cont without their actual fault or pri-vity . . . be liable to damages beyond the following

LORD BRANDON said that on March 12 1977 the Marion arrived at Teesside to load a cargo. She was obliged to wait for a loading berth, and her master chose to anchor about one mile from the Tees Fairway

Four days later a loading berth became available and the Marion tried to weigh anchor. Her efforts fouled an oil pipeline on the seabed.

The pipeline was severely damaged and on September 27 1977, 13 oil companies brought an action against the shipowners for negligence. The damages claimed exceeded \$25m.

The shipowners admitted liability, but began an action of their own claiming that they were entitled to have their total liability limited to £982,292, pursuant to the Merchant Shipping

Mr Justice Sheen granted them a decree of limitation of successfully appealed to the Court of Appeal, which ordered that the decree be refused.

In the present appeal it was majority of reputable ship.

common ground that the immediate cause of the damage to the pipeline was the master's negligence in navigating by reference primarily on their masters for the primarily on their masters for the primarily on their masters for the would have been characteristics. gence in navigating by reference to a long-obsolete chart on which re pipeline was not shown.

Also, it was common ground

that the shipowners were only entitled to have their liability limited if they could prove that the damage occurred without their actual fault; and that since they had delegated management of the Marion to an English company, the person whose fault would constitute their actual fault was that company's managing director.

The Marion operated under the Liberian flag. It was the shipowner's duty to pay regard to present and past Liberian Notices to Mariners. In March 1972 the Liberian authorities had issued a notice stating

There was a time when courts dealing with contested limitation actions considered that ship-owners or managers sufficiently discharged their responsibilities if they appointed a competent master and left questions of navigation to him.

That former approach had been out of date for more than 20 years. In The England [1973] 1 Lloyd's Rep 373, 383 Sir Gordon Willmer said "it is no ionger permissible for owners or managers to wash their hands so completely of all questions of navigation, or to leave every-thing to the unassisted discretion of their master."

That should now be regarded as the correct approach in law to the problem of actual fault of shipowners or managers in contested limitation actions.

In the present case the managers' system with regard to charts was to make the master of the Marion solely responsible for ensuring that current versions of charts were on board, obsolete charts destroyed, and current charts kept corrected and up-to-date.

Deliberately and as a matter of considered policy, the manag-ing director did not exercise any supervision over the way in any supervision over the way in which the master performed those responsibilities. Because of lack of supervision the managers were blissfully unaware that the master had, for years, a curious propensity for using out-of-date charts or uncorrected charts. corrected charts.

In considering whether that lack of supervision was a fault on the managers' part, the prac-tice of other reputable ship-owners was relevant, though not decisive unless the evidence was

Mr Justice Sheen concluded that on the evidence a prudent shipowner was entitled to regard the provision of charts as the responsibility of the master. The Court of Appeal did not accept that finding, and the evidence in the present appeal also showed that it could not be supported.

The evidence was that a

obtaining and maintaining charts, exercised a degree of supervision. The practice of

shipowner's duty to pay regard to present and past Liberian Notices to Mariners. In March 1972 the Liberian authorities had issued a notice stating that all ships should carry upto-date charts. In August 1972 a further notice was issued stating that the motice was issued stating that the motice was issued stating that the managing director's own fault that he was not told about the report. Insofar further notice was issued stat-ing that reports showed an as it was his own fault it con-alarming increase in naviga-tional casualities attributable actual fault of the shipowners. tional casualities attributable to failure to have up-to-date charts on board.

In the Court of Appeal Lord Justice Dunn said that in the light of the notices the practice of leaving the correction of charts wholly to the master was fraught with danger and not con-sistent with the high standard of care which Mr Justice Sheen held was owed by shipowners in relation to charts.

relation to charts.

Proceeding on the basis of the relatively new approach referred to in The England, his Lordship agreed with those strictures on the managers' system. It was their managing director's duty to ensure that an adequate degree of supervision in that field was exercised, either by himself or his subordinates. His failure to perform that duty confailure to perform that duty con-stituted, in law, actual fault of the shipowners.

Early in 1976 the Marion went to Genoa dockyard for repairs and maintenance. While she was there an inspection was carried out on behalf of the Liberian inspection division. The report was sent to the managers with the devastating comment, "Navi-gational charts . . . corrections

omitted for several years."

It was received when the managing director was absent in Greece, and he was not informed about it. More than six weeks later his subordinate wrote to the master requiring him to ensure that all charts were regularly corrected and that obsolete copies were destroyed. He asked the master to acknowledge receipt of the letter, and to advise him of progress made in rectifying the deficiencies referred to in the safety inspec-

tion report.
The master did not acknowinferred from his subsequent requisitions for new charts, that The evidence was that a he must have received it. There

The managing director, during his absence, was in frequent contact with his company and there would have been no practical difficulty about his being informed of the inspection report and its contents.

It was an inescapable inference from the fact that he was not told of the report that the instructions which he left behind him when he went to Greece, with regard to matters about which he should be kept informed, were insufficiently clear, precise or comprehensive.

of the shipowners: first, in the managing director's failure to raise a proper system of super-vision in relation to charts; and secondly, his failure when departing for Greece, to give his subordinates sufficiently clear, precise and comprehensive instructions on matters about which he was to be kept informed

Had the managing director had a proper system of supervision, or been promptly informed about the inspection report, the likelihood was that the master would have been persuaded to abandon his propensity for navigating with obsolete charts or, if incapable of reform, would have been relieved of his command.

In those circumstances it was impossible for the shipowners to establish that the two actual faults committed did not contribute to the damage to the pipe-

The Court of Appeal was right to reverse Mr Justice Sheen's decision. The appeal should be Lord Diplock, Lord Scarman Lord Roskill and Lord Bright

For the shipowners: Anthony Clarke QC and Jeremy Russell (Clyde & Co.).

For the oil companies: Gordon Pollock QC and David Steel QC (Coward Chance). By Rachel Davies

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Company expanding into plastics injection moulding manufacturing wishes to acquire existing company with own product lines. Write Box G9741. Financial Times 10 Cannon Street, EC4P 4BY

SUBSTANTIAL PRIVATE COMPANY Wishes to acquire existing Nursing Homes of at least 20 bedrooms in the SE of England particularly in the Thames Valley area. All replies will be treated in the strictest confidence.

**Employment Agency** required London or **Home Counties** Write Box G9767, Financial Times 10 Cannon Street, EC4P 4BY

wishes to purchase majority interest in Company Search or Registration Agency. Principals only All realies traited in stricted confidence white Box 59755. Financial Times. 10 Cannon Street. Lendon EC4P 48V. TRANSPORT HAULAGE VEHICLE FLEETS
required. With or without property.
Confidentiality assured M. Harrison,
tel: Barlaston (078 139, 2969, Telex.
367327 Matcolm.

### COMPANY WANTED

### TIMBER IMPORTER/MERCHANT

TIMBER IMPORTER/MERCHANT as an extension to their success ful IMPORT/EXPORT business.

CONTINUITY of MANAGEMENT/CUSTOMER CONTACT will be important, which could ideally suit a PHASED RETIREMENT situation. LOCATION immaterial.

All replies in the STRICTEST CONFIDENCE. C. N. Kenyon
KENYON BUSINESS SERVICES LTD. Sumlock House, 314 Chester Road Hartford, Cheshire. Tel: 0606 888810



### Company(s) Wanted FORGING-MACHINING Midlands-Based

Our clients are looking to purchase a FORGING COMPANY, hopefully able to process SPECIAL METALS

AMPLE SPACE for expension would be a DISTINCT ADVANTAGE, as would a PRECISION MACHINING FACILITY. The latter would also be considered as a separate entity

All replies in the STRICTEST CONFIDENCE:

C. N Kenyon KENYON BUSINESS SERVICES LTD Sumlock House, 314 Chester Road



### **GIBRALTAR BASED** PRIVATE COMPANY

with property assets of approx. (3 million sterling, set in prime site, very sound financial base and impressive management record wishes to take over or merge with public company of moderate assets or similar business with quote in London Stock Exchange with view of further expansion possibilities.

Please write in strict confidence to Box G9745 Financial Times, 10 Cannon Street, London EC4P 4BY

### FINANCE COMPANY

specialising in Industrial and Commercial instalment credit wanted for acquisition by Foreign Bank with substantial development funds. Ideally South East based with £5m receivables. Management and staff respected.

Further details from Box G9742, Financial Times 10 Cannon Street, London EC4P 4BY

### SUBSTANTIAL INVESTORS

wish to acquire meaningful stake in small public company with a o one or all of the following:

a) Buying all or part of present major shareholders stake
b) Introducing cash to Balance Sheet
c) Bringing in beneficial acquisitions
d) Providing management expertise, if required, including pointing up markets
Reply in absolute confidentiality to Box G9744
Financial Times, 10 Cannon Street, London EC4P 48Y

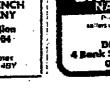
### WANTED HIRE PURCHASE COMPANIES

Major UK Group seeks opportunities to acquire hp businesses, value up to £10m Write Box G9766, Financial Times 10 Cannon Street, EC4P 4BY

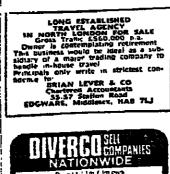
### EAST ANGLIA BASED FOOD MANUFACTURING COMPANY

Small/Medium Organisation to extend product range Write Box G9723, Financial Times

wishes to purchase similar







FOR SALE

Smell Engineering and sheet metal menufacturing business for sole, with own products, specialising in lighting fittings and equipment as well as botel and bar sundress, in teehold premises in Essex, as going concern, Further details from:

80x 69753. Francial Times 10 Canon Street, EC4P 4BY

FOR SALE

FINANCE BROKERS SEEK MERGER OR OUTRIGHT SALE

Commission sarned in the list financial year from domestic secured ton business was in excess of

Con Business was C300,000. Details from Box GST48 Financial Tunes 10 Cannon Street. EC4P 4BY

# A B Foods profits down by £19.8m Eagle Star

INCLUDING a much reduced contribution from the Fremier Group of South Africa, which was sold June 30 1983, down from £51.9m to £12.4m, taxable profits of Associated British Foods emerged £19.8m lower at £128.7m for the year ended March 31 1984. Excluding Premier turnover for the full period advanced by £286m to period advanced by £286m to £2.77bn.

The directors say that one effect of the sale of Premier, profit on which gave AB Foods £103.3m, was the elimination of overseas borrowings amounting

for the first time, and trading ment income of £23.7m (£4.5m) £35.7m (£40.8m) — split profits rose by 9 per cent to —as a result of the Premier sale between UK £19.4m (£14m) and offset by the overseas division where the trading surplus at £29.4m, after allowing for exchange rate differences, was

and apart from the contribution — Attributable profits for the rates of corporation tax, for the from Premier, the pre-tax figure—year were more than doubled to estimated tax deferred by

### HIGHLIGHTS

Lex looks at the intriguing capital structure of Morgan Grenfell which may now be changing and the £45m of cash the bank is raising by a rights issue while the going is good. The column then considers the latest figures from Associated British Foods where profits are down because of the sale of the South African Premier Group foods business. Finally Lex weighs the implications of the deal between Wallenberg and Volvo for the corporate and financial sectors in Sweden. Elsewhere there is news that Sir Gordon Borrie is studying the latest round in the House of Fraser/Lonrho battle.

Sales in the UK exceeded £2bn included much higher invest- £172.1m (£82.8m) after tax, £70.2m (£64.3m). The directors—and was after interest payable say this increase was partially of £6.4m, against £5.7m. In the UK, interest charges were higher as a result of

overseas £16.3m (£26.8m) — f40.4m (£38.5m).

minorities £6.5m (£22.5m) and extraordinary credits of £87.6m (£30.4m debit).

### Hearly 5 per Cent up at the learny 5 per C

£29.4m, after allowing for increased borrowings at times exchange rate differences, was during the year to finance work- f31m lower.

Group trading profits totalled partially offset by a reduction in partially offset by a redu

the extent that it is expected to become payable in the foresee-

able future. Before these items earnings per 5p share were marginally higher at 21.1p, against 20.9p, and the dividend total for the year is effectively lifted from 4.27p to 5p net with a second interim payment of 3.4p. Total net assets amounted to £850.4m (£897.9m).

results of the UK manufactur-ing division. Sales increased by 7 per cent to £912m and while there was continued pressure on margins generally, trading profits were nearly 5 per cent up at

# Martin-Black pulls out of wire rope making

The Coatoridge, Lanarkshire, ment in the industry will be industry. The group results for the 15 months ended March 31 months in the closure plans will after all the based company whose principal business is the manufacture of high tensile steel wire ropes is to cease its manufacturing operation forthwith and has sold its leave group assets estimated at

side-based Profiles of Wales Hotels, which became a sub-sidiary of Taddale Investments earlier this year, rose from £583,000 to £724,000 in 1983.

£700,009.

No final dividend is proposed

but first and second interims totalling 3p net have already

Rental

tion forthwith and has sold its leave group assets estimated at total consideration of £3.7m.

Trading in Martin Black's shares was suspended at the syear's low of 22p yesterday. At this level—which compares with a bigh of 30p—the company is valued at £1.45m. The directors will be writing to characteristics. Below of 22p yesterday at \$1.45m. The directors the group received a further the writing to characteristics. rais lever—which compares with making Canadian subsidiary for a high of 30p—the company is about £1.76m. And in early 1983 valued at £1.45m. The directors the group received a further will be writing to shareholders £611,000 for closing down its loss-shortly and have suspended the making wire drawing subsidiary

shares pending the issue in the early autumn of a detailed circular which will also contain

**Prince of Wales Hotels** 

over £0.72m year-end

shares pending the issue in the early autumn of a detailed circular which will also contain proposals for the company's future.

The decision to cease wire the decision to cease wire rope manufacture was taken industry was recognised in the

Martin-Black is pulling out of the wire rope manufacturing ing market which the directors of Trade and Industry of an industry after reporting group losses in six of the last seven years ahead. They concluded that to investigate the possibility of years.

tional Company, a Scottish con-structional engineer acquired and associated products. last October, contributed £425,000 British Ropes says it will be to turnover and £61,000 to profit.
There was also a dividend supplies of wire rope to Martinreceived from Usha Martin Industries, India, of £67,000 Ropes directors are confident
(£63,000). For the year ended December 31, 1982, the turnover rope business will accrue to attributable to wire and rope operations amounted to £9.76m Improving the throughput, level and there was a loss of £344,000 of conactive working and the and there was a loss of £244,000. of capacity working and the The total loss for the period profitability of the company's comes through at £308,000 existing plants."

has not paid a dividend since a halved payment of 2p in 1978. a halved payment of 2p in 1978.

The agreements between Martin-Black and Bridon (through it's British Ropes subsidiary) are subject to confirmation that the proposed transaction will not be referred to the Monopolies and Mergers Commission. Bridon showed trading profits up from £12.6m to £16.32m in 1983 of which £9.05m (£5.88m) related to wire rope.

British Ropes says it will be in a position to maintain supplies of wire rope to Martin-

### J.S.D. Computer cuts final after second-half losses

PRE-TAX PROFITS of Mersey- fident that this new venture will produce benefits for shareholders, franchisees and employees. sidiary of Taddale Investments earlier this year, rose from £583,000 to £724,000 in 1983.

In January the directors forecast profits of approximately \$2700.000.

Telephone Rentals pk

**RESULTS TO 31ST DECEMBER 1983** 

As a result, the properties were revalued and, combined with the retained balance for been paid—last year shareholders received 2.25p.

The directors say that during the coming months the Quality Hotels name will become increase in group net assets from the coming months the Quality Hotels name will become increase ingroup net assets from the coming months the Quality Hotels name will become increase ingroup net assets from the figure of turnover the year, this gave rise to an increase in group net assets from the figure of turnover the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year, the gave rise to an increase in group net assets from the year. The continuing strength of turnover—up from £4.64m to £5.39m—and their awareness of reasons for difficulties encountered in 1983 ingly familiar and they are con-

1983 1982 2000 - 1900

during 1983.

CONTRARY to midway predictions that profits would improve in the second half, at JSD Computer Group International, the second six months produced losses of £63,000 against profits of £177,000. For 1983 as a whole pre-tax profits dropped from

£392,000 to £40,000. The directors are hopeful of

temporary.
The final dividend of this USM stock has been cut from 1.5p to 0.1p to give a lower total of 0.7p against 2.1p net. Earnings per 5p share were shown as down from 3.3p to 1p.

The directors say that they took many decisions in the second half to resolve and curb second half to resolve and curb the costs of outstanding issues, especially litigation matters. In the U.S. litigation was terminated due to mounting legal costs. Expansion plans have been withheld until profits are on a

# sells BAT share stake for £30m

By Ray Maughan

BAT Industries, the tobacco. retail, paper and packaging group, yesterday raised almost f30m before expenses as Eagle The directors say there was Star Holdings, the insurance some improvement in trading company BAT acquired for a results of the UK manufactur. year, realised its share holding in its new parent company. Eagle Star's 13.9m BAT shares were placed yesterday morning at 213 p by stockbrokers de Zoete and Bavan, Cazenove, and

> The stake was spread widely among City institutions at a light discount to the opening BAT market price of 220p which, by the close had reacted with the close, had reacted with a 5p fall.
> The disposal had been agreed by both BAT and Eagle Star at

the time of the takeover since it had been decided that "it could be restrictive for a subsidiary to own shares in its parent."

### Kunick in £1m share placing

Kanick Leisure, the vehicle for the leisure interests of Sir Fred Pontin and Mr Don Robin-son which also has company "doctor" Mr Ronnie Aitken on the board, has raised over film by a share placing.

Stockbrokers Fiske & Company have placed 7m shares with instihave placed 7m shares with insti-tutional clients at 15p a share. The terms were pitched a couple of weeks ago when Kunick's shares were changing hands at 20p under rule 163 (2). The price is now 30p, capitalising the company at £9m. Fiske has come in on this

particular share issue. Grieveson Grant, which has a long standing relationship with Kunick and acts as informal company broker, continues to work towards a full listing for Kunick. sufficient track record to come to market as a leisure company— before Sir Fred Pontin and Mr Robinson reversed their leisure interests into Kunick it was a

small textile operation. Kunick's listing was cancelled last March at the company's request.
The new money will be used

to finance the first phase of the company's proposed Water Theme Park, at Scarborough's North Bay Pool, and a 15,000 so ft entertainments complex at York near to the Jorvik Viking Centre Centre.
The Water Theme Park is due

to open the middle of next month.
It will include the largest water slides in Europe — 200 yards long.
The leisure centre at York, due

to open next year, is expected to house a banqueting suite, a historical pageant and exhibition and a discotheque.

# **BARCLAYS BANK**

Prime Account P.O. Box 125 Northampton NN1 1SU Prime Account interest rate 8.75% nominal 9.04% APR

BARCLAYS Barclays Bank PLC. Reg. No. 48839 Reg. Office: 54 Lombard St. London EC3P 3AH

# McCarthy & Stone surges midway and set for record DIVIDENDS ANNOUNCED

RECORD profits are forecast by McCarthy & Stone, sheltered accommodation builder, after lifting the midway surplus from £1.26m to £3.15m pre-tax for the six months to February 29 1984. Turnover doubled to £9.74m, compared with £4.82m.

For the whole of last year pre-

tax profits amounted to £3.68m and turnover was £13.07m. Excluding the £517,000 profit on the sale of property other than sheltered accommodation, the taxable surplus was 108 per cent higher for the first half. Last December the directors said that the current year had started well with unit sales for the first quarter totalling 195, against a previous 85, and they looked forward to the future with confidence.

confidence. Sales of sheltered property totalled 323 for the six months, compared with 189 for the corres-ponding period, and against 492 for the 1982-83 year, the directors

They point out that while it is evident that some developers, who are less experienced in the market in which the company operates, are paying exceptionally high prices for land, the wider base of regional offices has enabled McCarthy to secure sufficient mitable cites and cite enabled McCarthy to secure sufficient suitable sites to meet its land targets. The directors add that units are now being marketed in all regions.

The interim dividend is effectively raised from 1p to 1.15p per 20p share, on capital increased by last December's rights issue. Also proposed is a one-former serin issue.

one scrip issue. Tax charge was £1.32m

### Date Corre Total of sponding for payment div. Sept 3 291\* July 13 2.1 July 17 24\* AB Foods ..... 2nd int. 3.4 Cakebread Robey ...... 2.2 2.91\* July 13 JSD Computer# ...... 0.1 McCarthy & Stone tint. 1.15 Monks Investment ..... 1.3 P of W Hotels ...... Nil Aug 1 July 12 1.8 Radio City‡ ..... int. 1.8 \* Equivalent after allowing for scrip issue: † On capital increased by rights and/or acquisition issues. † USM stock § Unquoted stock.

(£383,000) and after the interim dividend, £91,000 (£27,000), the retained profits amounted to £1.74m, against £846,000. Divi-dend waivers on 12,95m shares were £148,899.

is put at 400,000 units and growing fast. So, the only constraint to growth in this field is man-agement commitment and the

cash to finance building.
McCarthy, only a minow in the
building industry, has been
beavering away at this market
for seven years now — yet there
is still no sign of a substantial
competitor in the deld The were £145,899.

McCarthy was granted admission to the Official List, from the USM, last January.

Comment

The building industry must be green with envy at McCarthy's impressive first-half results. The puzzling thing is why the sector has been so slow to jump into what is virtually an unexploited and incrative market. Even at the bottom end of estimates, demand for private sheltered accommodation for the elderly is put at 400,000 units and growcreased capital at 480p, up 10p
— a rating which looks more at
home in the premium electronics sector.

### COMPANY NEWS IN BRIEF

Taxable profits at Frank G. Gates, main Ford dealer, increased from £1.07m to £1.2m in calendar 1983. The company is to pay a dividend of 3p, against 2.4p adjusted to allow for a one-for-four scrip issue.

The result was achieved on a turnover up from £36.93m to £42.71m. Tax took a larger slice, at £528.000 against £493,000, and there was an extraordinary

there was an extraordinary credit of £29,000 (nil). Earnings per 25p share were 7.9p, against 6.9p.

An increase in pre-tax profits from £619,000 to £712,000 has been shown by Cakebread Robey and Co. for 1983. Turnover of this builder and timber merchant, which is a close company, moved up from £15.09m to £18.67m.

£18.67m.

The net final dividend has been lifted from 2.1p to 2.2p which gives a higher total of 3p (2.7p). Earnings per 10p share rose from 6.3p to 7.7p. Tax amounted to £252,000 (£241,000) and extraordinary debits this time took £116,000.

\* \* \* \*
Acceptances of the Whatlings rights offer have been received in respect of 1,015,678 ordinary shares, or 88.87 per cent. The balance of 127,179 shares have been sold in the market at a premium of 18.17p per share after deduction of expenses.

In line with hopes expressed last October at Bonusbond Holdings, pre-tax results have returned to profits of £180,000 for 1983. compared with losses of £93,000. Turnover of this redeemer of incentive bonds moved ahead from £7.35m to £8.43m.

There is again no dividend for the year—the last payment was 3.5p net for 1981. Basic earnings per £1 share are shown as 6.68p (3.04p loss) and fully diluted as 4.67p (2.13p).

There was a credit for tax of £54,000 (debit £13,000) after which extraordinary debits came to £395,000 against £4.4m previously. The debit this time is for a deferred tax provision for leasing business made necessary by changes in the Budget.

The dividend is unchanged at 4p net per 25p share, with a final of 1.3p.

The policy of increasing currency exposure of the funds to the yen and reducing exposure to the dollar has been maintained.

Fibre optics company. York Technology, has raised £1.25m by a private placing of ordinary and preference shares. The proceeds will be used tot increase production and for further r and d.

Subscribers for the placings were Lazard Brothers (which handled the issue) and clients of Baring Brothers, Hambrecht & Quist Inc of San Francisco and Morgan Grenfell. Lord Barnett, former Chief Secretary to the Treasury, and Mr E Dawnay of Lazard Brothers

as non-executive directors. ment Trust say that liquid belances have recently shown some increase, with sales being made particularly in Japan. It is the trust's intention to remain fairly fully invested in equities.

the pre-tax figure coming out at group can continue to trade £2.61m against £2.85m. Tax normally. amounts to £947,000 (£1,11m) and

The total dividend at Third Mile investment has been almost doubled from 0.875p net to 1.7p with a final up from 0.875p to 1p. Earnings per 25p share for 1983 were 4.6p against losses of 1.9p.

The company swung back into profit with pre-tax figures of £125,000 against losses of £17,000. Turnover was lower at film compared with f1.41m. There were trading profits of £145,000 against £37,000. Mr E Dawnay of Lazard Brothers Tax for the year was down have been apointed to the board from £24,000 to £14,000.

The review of Crouch Group's operations has been completed and, in the light of current and continuing losses in the construction company in the board has particularly in Japan. It is the trust's intention to remain fairly fully invested in equities.

The review of Crouch Group's operations has been completed and, in the light of current and continuing losses in the construction company the board has regretfully taken the necessary steps to place the group's wholly owned subsidiary. Crouch Construction company to the possible of the properties of The review of Crouck Group's For the year ended April 30 Construction, into liquidation. 1984 gross investment income This action has been taken in rose from £3.93m to £4.32m with order that the remainder of the

The preliminary statement for earnings per share are stated at 2.15p (2.24p).

Net asset value after deducting prior charges at par stood at 184.8p compared with 142.7p.

the financial year to March 31 will be sent to shareholders as soon as practicable and it is hoped that this will be by the beginning of July.

### LAMBERT HOWARTH GROUP p.l.c.

Manufacturers of Footwear Supplying Marks & Spencer and Leading Wholesale, Multiple Chains and Mail Order Groups

Results for the year ended 31st December £'000 £'000 19,452 17,451 Operating profit 1,247 1,033 Profit before taxation 1,323 1,001 Net assets 5,699 4,673 Earnings per share 22.4p15.4p Dividends per share 5.75p 4.79p Net assets per share 146.1p -129.Sp

RECORD YEAR

During the year the benefits of previous rationalisation became more evident and our investment in plant and machinery continued to increase. The emphasis for the future must be on the newest machinery where applicable and the improvement of work methods whilst maintaining high standards of quality.

Copies of the 1983 Report and Accounts are available from the Secretary, Lambert Howarth Group p.Lc. Rossendale Works, Rossendale, Lancashire BB4 9LJ.

### Granville & Co. Limited

27/28 Lovat Lane London EC3R BEB Telephone 01-621 1212 Over-the-Counter Market

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Group Profit Care before tax 14,224 Assets Employed (Net) Earnings per Share 13.670 Dividends per Share Britain's largest Company dedicated solely to private

business communications

Sales and Others 24.760

**Telephone Rentals plc** TR House, Bietchley, Milton Keynes, MK3 5JL

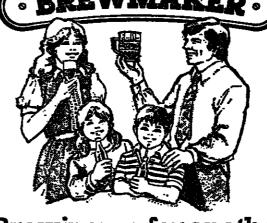
TR Services include

Telecommunications. Data and Telex. Staff Location. Time Control. Production Control. Fire Alarm, Fire Detection. Security Guard Protection. Hotel Services.

### Summarised extracts from the Statement of the Chairman, Sir Charles Ball

- \* Profits before taxation amounted to £14,224,000, an increase of 11.8 per cent
- \* The Directors are recommending dividends totalling 5.75p per share for the year (1982 - 5p).
- \* After encountering many frustrating delays in the phased liberalisation of the British Telecom monopoly, we are now gradually receiving the necessary approvals.
- \* A number of our digital PABX systems were fitted on a rental/ maintenance basis by the end of the year. Our Data Communications Systems Division had a most successful year with an encouraging increase in the number of contracts secured and systems fitted, particularly in the Telex and Message Switching sectors.
- The second secon \* New rental and sale business in the first four months of this year continue at an encouragingly high level and we have the largest volume of work-in-hand for some years. Annual 2004 2000 and the second secon
- \* With the anticipated growth in our United Kingdom business and an expected increase in the contribution from our overseas operations, your Board is confident that 1984 will show a further increase in Group profits.





### Brewing up for another satisfactory year

At the AGM shareholders heard that the first three months of this year have started well. Turnover was considerably up. However, pressure on margins has increased due to intensive competition.

The majority of profits are earned in the last few months of the year but current indications are favourable. Our Chairman, Colin Sanders, was confident that 1984 will be a satisfactory year.

Four new Brewmaker home brew beer kits

being introduced will bring the range to 17 varieties — the most extensive in the UK. Significant progress is also being made in the fizzy drinks market. As a result of a recent new agreement

we now have a "Brewmaker Merri-Mix" machine which together with Brewmaker concentrates enables us to offer the most comprehensive home soft drinks system available. And at very competitive prices.

Results in brief 13 months to 31.1.84 Turnover £6,315,277 £622,367 Profit before tax Earnings per share 2.5p Dividend per share 0.4p

Copies of the Report and Accounts can be obtained from The Secretary: Browmaker plc, Browmaker House, First Avanue, Millbrook, Southampton SOI Old.G. All that's best in Homebrewing and Winemaking =

### MINING NEWS BIDS AND DEALS

# Zinc price rise lifts Hudbay

However, the company does not expect prices for its other principal products to show much improvement in the remainder of the year, so that productivity will be of the utmost importance. Hudbay is wholly-owned by Inspiration Resources of the U.S., which early last year became the principal operating subsidi-ary of Minerals and Resources

Smelting saw net profits for the ounces, against C\$10.35m on first quarter jump to C\$11.1m, 18,444 ounces last year. Revenue compared with C\$900.000 in the was C\$482m, down from C\$561m comparable period of last year. in the first quarter of 1983.

RISING ZINC prices and higher Noranda Mines owns 64 per cent

Lower bullion revenue, higher operating costs and the expanded exploration programme were largely responsible for the fall in profits for the first three months of the year to C\$942,000, compared with C\$5.07m a year

In addition, profits for the first quarter of 1983 were boosted by a non-recurring gain of C\$1.8m Corporation, the main international investment vehicle of
South Africa's Angle American
Corporation/De Beers group.
Meanwhile, the big base metal
producer Brunswick Mining and
CS7.36m on production of 15,248
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### Marinduque to resume production of nickel

ally-troubled Marinduque Mining and Industrial of the Philippines comes in the form of an announcement from Mr Alfredo Velayo, the company's president, to the effect that operations at the nickel refinery will be resumed on June 10.

Marinduque suspended production at the refinery last December because of a shortage of funds, and the resumption of operations has been held up by a delay in delivery of imported

Mr Velayo said he expects the parts and additional stocks of coal to be in place by June 10, with a total of 75,000 tonnes of imported coal arriving this

Marinduque, one of the world's largest nickel producers, hopes to produce 2,000 tonnes of nickel briquettes a month once overs oriquenes a month once opera-tions have restarted. The com-pany's cash problems have been eased by the negotiation of a US\$10m loan last month.

Mr Velayo also said that Marinduque has signed a loan agreement for the equivalent of US\$8.6m with Marubent Corporation of Japan, which will be used lowards reopening the company's

11/13/

which reached 104,381 tonnes last

year.

Another big mining group in the Philippines suffered a sharp reversal of fortunes in the first quarter of this year, in line with the lower copper price. Atlas Consolidated Mining and Development lost a net Pesos 145.7m velopment lost a net Pesos 145.7m in the period, which compares with profits of Pesos 52m in the first quarter of 1983 and Pesos 11m in the final quarter. Mr Harry A. Toelle, president, said that the copper price averaged only 65.31 U.S. cents a pound over the three months, well below the company's breakeven level.

On a brighter note, Mr Toele

On a brighter note, Mr Toele reported that the company's mines had achieved their pro-duction targets for the first

### IN BRIEF

Net profits of South Africa's Trans-Natal Coal Corporation in the Gencor group slipped to R9.05m (£5m) in the first three monks of this year, compared with R9.97m in the final quarter of last year and R9.8m in the opening three months of 1983.

Figures for previous periods have been adjusted to reflect two Marinduque is still negotiating a loan of Pessos 98m (£4.9m) for the copper project with Philipthe copper project with Philipplus Associated Smeiting and secondly the dissolution of the fax rate to 50 per cent and plus Associated Smeiting and secondly the dissolution of the plus is estimating pre-tax profits of £11.25m in the year to Marinduque's copper production, with the company's partners in the Ermelo Mines joint venture.

Marinduque's copper production, with the company's partners in the Ermelo Mines joint venture.

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Marinduque's copper production, with the company's partners in the Ermelo Mines joint venture.

Marinduque's copper production, with the company's partners in the company at £7.2m. Its directive company advised share-holders to take no action on their holdings. The share parice, quoted on the Unlisted Securities with the company's partners in the previous 12 months.

Marinduque's copper production, with the company's partners in the company at £7.2m. Its directive of the company advised share-holders to take no action on their holdings. The share capital.

The company advised share-holders to take no action on their holdings. The share parice, and the previous \$2.200.886 company at £2.200.886 company at £2.200.

This announcement appears as a matter of record only.

Commercial Union Assurance Company PLC

has acquired The French Insurance and Savings company

L'Epargne de France

In this transaction L'Epargne de France

was advised by

Silkbarn Management Limited

in association with

**Energy Finance and General Trust Limited** 

Sukbara Management Limited and Energy Finance and General Trust Limited are both Members of the National Association of Security Dealers and Investment Managers and are subsidiaries of Energy Finance and General Trust Holdings PLC.

# | Minister may rule against Lonrho's move on Fraser

SIR GORDON BORRIE, director general of the Office of Fair Trading, was yesterday preparing to submit recommendations to Mr Norman Tebbit, Secretary by control of the board. It is a long of Fair trade and Industry, on Longho's plans to pack the House of Fraser board with directors which represent Longho's interests.

must be discussed in relation to the source of the undertakings must be discussed in relation to the source of the undertakings of the source of the undertakings which letter of the undertakings which were designed to prevent the source of the undertakings which the source of the undertakings which directors which represent of Trade."

Longho's interests. RISING ZINC prices and higher sales volume combined to offset the comparatively poor performances by copper, gold and silver prices in the first three months of this year to give Hudson Bay Mindag and Smeltiag of the highest quarterly earnings for almost four years were improvements in the tonnage of Canada a net profit for the period.

The latest net profit totalled C\$143,000 (£80,000), and compares with a loss in the opening quarter of 1983 of C\$3.5m. Hudbay said that the industrial division, particularly zinc discastings, contributed "significantly" to the improved results.

However, the company does

rate with the U.S. dollar.

In sharp contrast, Sigma Mines (Quebec), part of the Dome Mines group of gold producers, has haived its quarterly dividend from 12 cents a share to 6 cents after a fall in earnings for the first quarter.

Lonrho's interests.

The Fair Trading office is expected to advise that Lonrho's attempts to gain the election of six of its own directors and six of its own directors.

lished at the end of 1981.

The Monopolies and Mergers
Commission ruled that it would
be against the public interest if
Lonrho were to take over House of Fraser.

The advice from the Fair Trading office is expected to be passed over to the Secretary of State after Sir Gordon has

studied a report prepared by the office's mergers secretariat and

**Human** food

& Whites

privately

move by Pauls

Pauls & Whites, the animal feeds, malt and essences and

a major customer. Consideration comprises £5,000

in cash and the issue of 2.77m Pauls' shares of which 2.735m have ben placed by Cazenove on

Telford, which produces a range of muesli breakfast cereals, packet soups and sauce mixes, produced net trading profits of £503,000 in the year

to March 31. Net worth at the financial year-end amounted to

film.
The new shares will rank for

the final dividend in respect of Pauls' own financial year-end,

which also closed on March 31.
The group estimates that it will make a final distribution of 6p per share which will lift the total payment from 8p to 8.5p per

behalf of vendors.

**Energy Finance and** 

London and Leeds

General Trust Limited

of Trade."

Lonrho had claimed last week that it had received indications from the Office of Fair Trading that it would not be in breach of undertakings which it had given to the Trade Department. In the undertakings given following the Monopolies and Mergers Commission report Lonrho had

situation that the Monopolies and Mergers Commission were also anxious to stop — namely the takeover by Lonrho of Fraser. "The public interest reasons were broader than acquiring control of Fraser through the technique of buying shares. I am considering the broader issue of control."

If the Trade Serretary were

dergers Commission report published at the end of 1981.

The Monopolies and Mergers Commission report by said that it would not increase to intervene to stop Lonrho in its attempts it could require an cent (If holds 29.99 per cent) and would not do anything which could result in Lonrho and review of the Lonrho plans is connected bodies.

The advice from the Fair Trading office is expected to be assed over to the Secretary of State after Sir Gordon has itudied a report prepared by the office's mergers secretariat and awyers

Together Monopolies and Mergers Commission report Lonrho had that it would not not not not be its attempts it could require an cent (If holds 29.99 per cent) and would not do anything which could result in Lonrho and House of Fraser becoming interconnected bodies.

Sir Gordon Borrie said yesterday: "There may have been an impression given that studied a report prepared by the Lonrho would not have been in Fraser's annual general meeting breach of its undertakings. I think the matter must be taken in context. The undertakings nominated candidates.

### De Vere talks cease as chairman refuses terms

BY ALEXANDER NICOLL

De Vere Hotels and Restaurants said yesterday it had terminated talks on potential bids for the company because its chairman, Mr Leopold Muller, had declined to sell his 51 per cent stake on the terms offered. fragrances group, yesterday started a major diversification drive when it agreed to pay £6.5m for Telford Foods, a privately owned supplier of "own label" packet dry foods to the leading retail chains. Mr Leslie Jackson, De Vere's managing director, said more than one possible bid had been under consideration and that they had been worth 315p per share in cash with a share alternative of higher value. J. Sainsbury, with which Pauls jointly owns the Breckland Farms pig fattening venture, is

It was understood that from the several approaches disclosed by De Vere last month two were singled out for serious talks. The two potential bidders, whose separate offers were substanti-ally the same, were provided with confidential information on

But Mr Muller, 81, was unwill-ing to give irrevocable under-takings on his majority holding. In April, De Vere had said

price, which reached 328p on the day it made the disclosure. Yesterday, De Vere's share price fell 5p to 300p, valuing the company at £41.7m. Mr Jackson said the company's trading position justified the level of its share price.

The failure of the talks marked the second occasion on which a possible sale of the company had fallen through. Last December, Mr Muller agreed to a bid equivalent to 283p per share from Selfpost, a privately-held company. The hid, which would have been followed by an offer to other shareholders, falled because Selfpost falled to provide adequate financial assur-

De Vere owns 14 major pro vincial hotels and London's Connaught Rooms, Mirabelle Chih and two Overtons fish restaurants. In 1983, pre-tax profit rose to £1.83m (£1m) on price indications given by parties profit rose to £1.83m (£1m) on who had made approaches were below the company's market £20.05m.

### Hadland shares soar 68p

share.
While there is some synergy with Pauls' existing essences and fragrances operations, which contributed £11.3m of sales to stands a camera and graphic arts equipment group, rose sharply yesterday after the com-pany disclosed that it had received an approach which may result in an offer for all of its the 1982-83 total of £305m, the Teiford acquisition was described by Mr John Young, the finance director, as a "new and exciting development into holders to take no action on their human foods".

THE SHARE price of Hadland tors hold a combined majority Holdings, a camera and graphic stake.

Hadland, based in Hemel Hempstead, Hertfordshire, makes high technology electron optical cameras as well as graphic arts

### BIDS AND DEALS IN BRIEF

75 per cent stake in a Singapore cleaning company, Ender Cleaning Services, for £125,000. Ender, bought from Ender Beheer of the Netherlands, has an annual turnover of £1.6m and has con-tracts including the cleaning of

Singapore's airport.

Brengreen also said that an associate, Saudi National Cleaning and Maintenance, won contracts worth £14m over three years to clean six Saudi hospitals and six clinics.

The Stock Exchange listing of W. M. Mowat has been cancelled as from 9.30 am on May 21 at the company's own request. An application to make specific bargains under rule 163 (2) may be

The Rohan Group has entered into a joint venture agreement with Northern Pines of the U.S.

Brengreen, a contract cleaning on three developments in Cali-and refuse collection company, fornia and Colorado which, when said yesterday it had acquired a completed, will have a value in excess of \$20m (£144m). Northern Pines acquired a 16.7 per cent stake in Rohan for £53.75m last December and said at that time that it intended to undertake joint ventures in pro-perty development with Rohan in the U.S. under which it would provide risk capital of between \$5m and \$10m for projects submitted by Rohan.

> Costain Group has purchased, through its wholly owned U.S. subsidiary Costain Holdings, 50 per cent of Pyro Energy Corpora-tion's surface coal mining opera-tions in Alabama for \$18m (£12.9m).

The Associated Dairies Group has acquired the Lakeland Creameries. The consideration was satisfied by a cash payment of fil6,300, the issue of loan notes to the value of f330,000 and the allotment of 1.7m ordinary shares credited as fully paid in Associated Dairies. The share price for the purpose of this transaction was 173p per share.

share.

The assets acquired are an operating creamery situated in Cumbria, and a distribution unit at Lancaster. The total fixed asset value is £2.25m. Lakeland has been acquired to expand the company's existing fresh food manufacturing potential in the North of England.

Linread loan stockholders have approved the extraordinary reso-lution ratifying the disposal of Linread Fabco and Linread (Deutschland), the proposed pro-perty transactions in Canada and the UK and determined that the disposals together with an earlier ine Un and determined that the disposals, together with an earlier disposal of Linfast Fastener Centres, will not henceforth be taken into account for the purpose of sub clause 8 (a) of the

Rea Holdings has acquired all the outstanding £477,400 nominal of floating rate secured loan notes 1999 and floating rate secured postponable loan notes 1983-85 of Jazerite Holdings, a wholly owned subsidiary, in consideration of the issue of £453,997 nominal of additional 133 per cent unsecured loan stock 1987-90 and 17,720 Rea shares.

\* \* \* \*
On May 17, 250,000 ordinary shares in Bensons Crisps were sold in which W. W. Jones held a beneficial interest and 102,000 shares held by trusts in which he had no beneficial interest. Mr Jones is a director of Bensons

Following the sales, Mr Jones' beneficial holding is 1.51m shares (33 per cent), and his non-bene-ficial interest is 204,000 (4.25 per



INTERIM REPORT TO SHAREHOLDERS FOR THE SIX MONTHS ENDED 31 MARCH 1984

The unaudited consolidated results of Barlow Rand Limited and its subsidiaries for the six months ended 31 March 1984, together with the results for the same period last year and the audited results for the year ended 30 Sentember 1983 are:

	Six montf 31 M 1964		Percentage change	Year ended 30 September 1983
		1363		1303
	R million	R million		R million
Turnover	4,711.8	3,913.2	20,4	7,797.6
Group operating profit before interest	435.2	350.5	24,5	776.3
Interest paid	91.1	82.2		146,6
Group operating profit	345.1	268.3	28.6	629.7
Income from investments	47.6	36.7		72.7
Group profit before taxation	392.7	304.6	28.9	702.4
Taxation based on 1984 Budget (Note 1)	166.1	124.2	33.7	269.1
Group profit after texation	226.6	180.4	25.6	433.3
Share of associated company profits (Note 2)	9.6	5.9		14,4
Group profit after taxation, including associated companies.  Attributable to:	238.2	186.3	26.8	447.7
<ul> <li>outside shareholders in subsidiaries and 6% preference shareholders in Barlow Rand Limited</li></ul>	113.5	83.2	35.4	195.2
- ordinary shareholders in Barlow Rand Limited	122.7	103.1	19.1	252.5
Number of ordinary shares upon which earnings per share is based (000's)	162,125	150,083		150,560
New basis of taxetion	75.7	68.8	10.0	-
Prior basis of taxation	80.7	68.8	17.3	167.7
Dividends per share (cents) – ordinary	21.0	21.0		70.0
- preferred ordinary	52.5	_		-

s not charged against earnings attri 10 ordinary shareholders (Note 3). Deferred taxation rate adjustment charge relating to prior years ......

8.6 (5.3)

1. Taxation

1. Taxation

The changes in the basis of taxation announced in the 1984 Budget have had a material adverse effect on the group's results. The effect can be quantified:

On group profit

to ordinary R million 124 Cents 3.9 R millio Increased rate of taxetion . . . . . Other changes, mainly the effect of changing stock valuation from LIFO to 5.5 17.9 5.0 8.1. 2. Change in the basis of accounting

In compliance with the recent accounting standard, the results of associated companies and non-consolidated subsidiaries have been accounted for under the equity method. Comparative figures have been restated accordingly. The effect is to increase earning Year ended

30 September 1983

The increase in the rate of taxation gives rise to an additional deferred tax liability relating to prior Significant items include goodwill arising from the Nampak/Metal Box Scheme of Arrangement of

R9.5 million: goodwill arising on the acquisition of Blatkie-Johnstone of R9.3 million; and R9.5 million as a result of the purchase by Reunert Ltd of Telkor. Other items:
This includes the profit on the sale of certain subsidiaries and properties

RESULTS

Trading results for the six months exceeded expectations. Increased operating profits resulted from better trading and from improved efficiencies in all divisions.

The taxation increase announced in the March 1984 Budget has had a material adverse effect on group profits. The net improvement of 10.0% in earnings per share would have been 17.3% had there been no

**DIVISIONAL TRADING** The cement and lime division performed strongly as a result of increased demand for cement. The contribution made by the newly formed earthmoving equipment, motor and appliance division also improved substantially due to an increased level of business activity in its markets.

Both the electronics and engineering division and the building materials, steel and paint division reflected improved results and benefited from recent acquisitions.

There was a marginal reduction in the contribution from the mining division due to lower gold prices being received and the lower markets that have reposaled in the coal and base minorals markets.

being received and the lower margins that have prevailed in the coal and base minerals markets. The fero-alloys and stainless steel division improved its position with a loss at the half-year of R3.9 million against a loss of R8.1 million for the corresponding period last year. The export market for fero-alloys has improved steedily but the local market for stainless steel remained depressed.

The results of the C. G. Smith group benefited from improved results in textiles and a relatively good performance in the food sector. Sugar profits, however, were slightly lower. The enlarged packaging rations performed to expectation.

It is expected that trading conditions for the second half of the year will become more difficult. With the decline in the gold orice, the cost of the drought and the consequent weekening of the South African balance of payments position together with the recently announced increase in General Seles Tax, it has become clear that the upturn, which manifested itself in the second half of the previous financial year,

The group has, as far as possible, prepared for this change in the business climate and should be able at least to maintain the total ordinary dividend for the year at 70 cents per share. For an on behalf of the Board

A. M. Rosholt (Executive Chairman) G. W. Dunningham (Vice-Chairman) W. A. M. Clewlow (Chief Operations Officer)

ORDINARY DIVIDEND No. 109

ORDINARY DIVIDEND No. 109

Notice is hereby given that an interim dividend of 21.0 cents per ordinary share has been declared payable to shareholders registered in the books of the company at the close of business on 8 June 1984. The transfer books and register of members will be closed from 9 June 1984 to 15 June 1984, both days inclusive, for the purpose of determining those shareholders to whom the dividend will be paid. Dividend warrants will be posted to shareholders on or about 13 July 1984.

This dividend is declared in the currency of the Republic of South Africa and the rate of exchange at which the dividend will be converted into United Kingdom currency for payment of dividends from the United Kingdom share transfer office will be the ruling telegraphic transfer rate of exchange between South Africa and the United Kingdom on the first business day after 29 June 1984.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident shareholders' tax has been imposed at the rate of 14.7376 percent on dividends payable to:

(a) persons, other than companies, not ordinarily resident nor carrying on business in South Africa; and

(b) companies which are not South African companies.

The company will accordingly deduct the tax from dividends payable to shareholders whose addresses in the share register are outside the Republic of South Africa.

PREFERRED ORDINARY DIVIDEND No. 1 Notice is hereby given that an interim dividend of 52.5 cents per preferred ordinary shere has been declared payable to shareholders registered in the books of the company at the close of business on

8 June 1984.

The transfer books and register of members will be closed from 9 June 1984 to 15 June 1984, both days inclusive, for the purpose of determining those shareholders to whom the dividend will be paid.

Dividend warrants will be posted to shareholders on or about 13 July 1984.

This dividend is declared in the currency of the Republic of South Africa and the rate of exchange at which the dividend will be converted into United Kingdom currency for payment of dividends from the

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(a) persons, other than companies, not ordinarily resident nor carrying on business in South Africa;

(b) companies which are not South African companies.

The company will accordingly deduct the tax from dividends payable to shareholders whose addresses in the share register are outside the Republic of South Africa. By order of the Board

K. A. Bagg

Sandton, 21 May 1984 Transfer Secretaries: Rand Registrars Limited Registered Office: Barlow Park Katherine Street

(P.O. Box 782248 Sandton 2146 - South Africa)

Sandton

2nd Floor, Devonshire House 49 Jorissen Street 2001 - South Africa (P.Q. Box 31719 2017 - South Africa)

United Kingdom Registrar: Lloyds Bank Limited Registrar's Department The Causeway Goring-By-Sea Worthing West Sussex BN12 6DA

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### TRANS-NATAL COAL CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
REPORT FOR THE QUARTER ENDED 31 MARCH 1984
(Unaudited Group Results)

	Quarter ended 31.3.84	Quarter ended 31.12.83	Comperative quarter previous year 31.3.83	Nine months to 31,3.84
Tons sold ('000)	6,695	6,341	6.508	19,279
GROUP INCOME  Net income before amortisation and taxation  Deduct: Amortisation of mining assets	R('000) 25,546 3,369	R(*000) 26,847 3,635	R(*000) 26,853 3,181	R('000) 80,462 10,036
Net income before taxation	22,177 11,571 1,559	23,212 11,698 1,540	23,672 10,936 1,442 1,498	70,426 35,940 4,735
NET GROUP INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	9,047	9,974	9,796	29 <i>,7</i> 51
DEFERRED TAX — Increase in provision for prior years	6,900			6,900
CAPITAL EXPENDITURE	17,335	19,805	31,644	52,505
Earnings per share for nine months: 49 cents (1	983: 60 cent	s).		<del></del>

1. Tons sold now only includes Trans-Natal's one-third share of the Ermelo Mines Joint Venture,

the joint marketing agreement between the partners having been discontinued from 1.1.84—comparative figures have been adjusted accordingly.

The increase in the taxation rate to 50% has had the effect of reducing earnings for the year Arising from the higher tax rate an increase in the deferred taxation liability in respect of

prior years is necessary to the extent of R6.9 million. The effect of this adjustment has not been included in the results for the current year.

The decrease in net income before taxation for the quarter is due to provisions made for currency fluctuations, in respect of foreign loans, resulting from the weakening of the S.A. Rand relative to the U.S. Dollar.

On behalf of the Board

T. L. DE BEER

Johannesburg, 22 May 1984



# ROHAN SE

Designers, Contractors and Investment Property Holders

RESULTS FOR THE YEAR ENDED 31st DECEMBER	1983 IR£	1982 IR£
Trading profit before taxation Surplus on revaluation of investment properties	2.4m 0.1m 2.5m	3.4m <u>1.4m</u> 4.8m
Earnings per share	24.48p	34.46p
Dividends per share	12.75p	12.75p
Investment properties	16.2m	15.5m
Shareholders' funds	23.5m	18.7m
Net assets per share	261p	252p
Rent roll now exceeds	1.6m	-

confidence". Chairman

Copies of the Report and Accounts available from the Secretary. Rohan Group plc,

Private Placement

5 Mount Street Crescent, Dublin, 2, Ireland,

33 Cork Street, London, W1X 1HB.

IRELAND - UNITED KINGDOM - UNITED STATES OF AMERICA

This announcement appears as a matter of record only.

COMPANHIA NACIONAL DE PETROQUIMICA, E.P.

Companhia Nacional de

Petroquímica, E.P.

¥5,000,000,000

Japanese Yen Bonds-Series A (1984)

Guaranteed by

The Republic of Portugal

# Espley down to £1.78m and cancels planned final

(£2.11m) profit on ordinary acu-vities being retained, less a loss crease in reserves for the period of £1.3m (profit £652,000) on will be of the order of £3.5m.

of 21.3m (profit activities being sold.

In the course of the year the company disposed of the major portion of its UK property investment portfolio. The directors state that negotiations are in an advanced state for the disposal of UK property development interests where the company would. however, participate in the pro-fits and at the same time relain the construction work derived from the implementation of

these projects.
Contrary to interim expectations last November, the directors have decided not to recomtors have decided not to recomment the anticipated 1.375p final dividend. They state that significant tax changes in the 1984 Budget, together with the increasing relative importance of the company's overseas earnings, has caused them to reconsider their dividend policy. The recoverability of advance corsacer their dividend policy. The recoverability of advance corporation tax paid on dividends will become a more significant element of corporate planning.

PROFITS BEFORE tax at Espley Trust, the property investment, development, construction and housebuilding group formerly known as Espley-Tryas Property Group, declined to f1.78m in the 15 month period to December 31 1983, against f2.77m for the year to end September 1982.

The result was struck on turnover, up from £50.81m to 589.61m, and consists of a £3.08m (£2.11m) profit on ordinary activated for the spley movement. The total interest of the use of the us

Tax absorbed £916,000 against £581,000, while minority interests took £357,000 last time to leave attributable at £\$66,000

There was an extraordinary debit of £474.000 against £837,000 restated by the inclusion of additional losses of £599.000 arising from the write-offs of the company's investment in an overseas partnership. Earnings per share were down sharply from 15.05p to 3.59p per 25p ordinary share. There are plans to issue shares There are plans to issue shares to the public in two of the group's overseas companies, the

Belgian wholly-owned subsidiary Codic SA and the American Pro-perty Group. The directors con-sider that when their plans are completed the true capital value of their investments will be en-

faith in speculative property development. In a series of typically convoluted deals, the property assets of the renamed Espley Trust are being sold off and the group is to convert itself into a mini-Hanson or BTR. The UK construction and house building division—which contri-buted around £64m turnover to buted around £64m turnover to
these figures—is to form the
core of a diversified holding
company. There are plans to
merge with Associated Telecommunications, and the possibility
of a full bid for engineers West's of a full bid for engineers West's Group is still being actively considered. Thereafter, the cash released by the property disposal programme is to be devoted to acquisition, the criterion being companies which offer scope for reorganisation or what is tactfully termed "disposal of surplus assets." The general impression is that of a lump of money looking for something to

The proposed public offering of American Property was earlier postponed until this year in order to capitalise on the then success of the sales programma

# £0:23m and expects to resume dividends **BOARD MEETINGS**

THE STEPS taken by Brooks
Tool Engineering (Holdings) to
improve efficiency enabled the
group to take full advantage of
an improved trading climate
during the half year ended
March 31 1984.

March 31 1984.
On the back of a £0.73m rise in turnover to £4.95m pre-tax profits for the period advanced from £191,800 to £419,000 and the directors say they expect to resume dividends at the yearend—the last payment was 0.75p on the 25p shares in 1981.

In their interim report they reveal that the group's cutting tool activities are trading at in-creasing levels in an improving

world market.

They say, however, that the dispute in the coal mining industry, which is a major customer of two of Brooke's subsidiaries, had an adverse effect on the described profess and warm. diaries, had an adverse effect on the first half profits and warn that this will inevitably cause a "significant reduction" in the second half result.
'All possible steps have been taken to mitigate this problem and it is considered that the dispute will not have any overall

effect on the group's medium and long term future, and the directors have "every con-fidence" in its future. Pre-tax profits for the opening

Pre-tax profits for the opening half were struck after deducting £0.34m (£0.28m) distribution costs, £0.5m (£0.45m) administration expenses and adding in a £1,400 (deducting £6,700) share of profits of related companies. Interest charges accounted for £0.1m (£0.14m).

Tax for the half year £55,000 (added £5,100) and after minorities of £500 (£2,100) and extra-

ties of £500 (£2,100) and extra-ordinary, items last time of £382,000 available profits emerged at £363,500, compared with a deficit of £183,000.

Asin subsiciaries.

He told shareholders that he coundly based believed it was soundly based with good prospects for the future. The group made a good

start to the present year and profits for the first four months to January were well shead of the previous year and order books were healthy. For the 1983-83 year profits

Interime:—Archimedes Investment Trust, John Cerr (Domineur), ICI, Kessey Industries, Menspirment Agency and Music, Moran Tee, Morthern American Trust, Owen and Robinson, Ranks Hovis McDougall, Scattleh National Trust, Stakis, Finetz:—Bantox, British and American Film, Deploms, Walter Duscan and Goodricks, Fidelity, Parkland Textile, J. Sainsbury, TR Property Investment Trest, Transpood, Whithread.

FUTURE DAYES

Imprime:

Cerr's Milling Industries June 6

Eison and Robbins June 14

English China Clays June 14

Leeds May 30

Morter Estates May 24

Northern Foods June 20

FKI Electricals
Fine Art Developments
London Pevilon
Minaser Assets
Paula and Whites
Reed International
Samuel (H.)
Tarring Generation Treet

† Amended

of conversion rights, totalled 2.8p (1.8p). Fully diluted, after conversion, they amounted to

At the AGM in March, Mr J. F. Vernon, the chairman, said Brooke Tool was now a small, four

but strong group with four main subsidiaries.

Earnings, before the exercise before tax amounted to £523,800.

### Radio City declines but holds interim

Pre-tax profits of Radio City (Sound of Merseyside) declined from £285,000 to £233,000 for the half year ended March 31 1984 but the independent local radio station company is holding its net interim dividend at 1.8p per ordinary and A ordinary share. The interim report reveals that the results represent a period very similar to last year except for a reduction in demand for air

time in two of the six months. time in two of the six months.

The Beatle City exhibition, a wholly-owned subsidiary, opened last month after the half year end and the results for the openend and the results for the open-ing period do not include any revenue or expenditure con-nected with the exhibiton centre— the group's shares are traded on the USM.

first half turnover improved to £1.71m (£1.69m). Tax took £114,000 (£139,000) and earnings emerged at 4.5p (5.62p).

### Ivory & Sime profit up 90% and payout boosted

IN ITS FIRST full year as a linterest payable amounted to listed company Ivory and Sime, \$88,000, down from £239,000, and the Scottish fund management amortisation of goodwill took an group, has reported a 90 per cent unchanged £250,000. The tax increase in taxable profit, up charge was up from £333,000 to from £927,000 to £1.76m, for the £941,000. An extraordinary credit 12 months to April 30 1984 of £155,000 (nil) comprised a The directors are recommend, capital receipt of £444,000 for

They state that the company, even after significant expendi-

rrom 2527,000 to £1,75m, for the f941,000. An extraordinary credit 12 months to April 30 1984 of £155,000 (nll) comprised a The directors are recommend- capital receipt of £244,000 for ing an ordinary dividend of 2p, an eightfold increase over the dividend forecast in the prospectus at the time of last September's listing.

ture particularly on computer facilities, and a reduction in debt, has been left with a large uncommitted each flow and the extraordinary item were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also were amortisation or goodwill and the extraordinary item were also uncommitted cash flow, and have taken the view that a large proportion of this should be distributed to shareholders.

The directors state that prospect of the extraordinary item were 3.18p (1.49p).

The directors state that prospect of the extraordinary item were 3.18p (1.49p).

portion of this should be distri-buted to shareholders.

The figures were achieved on turnover which increased from £4.04m to £4.85m, producing an improved operating profit of £2.09m, against £1.42m. Ivory and Sime (Oil and Gas, a Dela-where a substantial proportion ware-based subsidiary, contri- of the funds under management buted £9,000 (nil). are invested.

### BIDS AND DEALS IN BRIEF

Sime Darby's associate company, Pernas Sime Darby Hold-ings, has reached an understand-ing with Duniop Malaysian Inds, from existing premises. No staff Dunlop LD and IT International,

entire shareholding of \$598m. thares (30.7 per cent, consideration of MS9.03m (£2.5m) (or MS1.05 per share) subject to the necessary approval relevant Government rom relevant authorities.

With this acquisition, IT Inter-national will become a wholly owned subsidiary of PSDH. The company has also agreed the orderly termination of tech-nical aid agreement between IT International and Dunion, the orderly termination of manage-ment agreement between DMIB and IT International, and the discontinuance of all existing

court actions and appeal between the parties.

The understanding is, subject to the approvals of the respective boards of the companies

Arthur Guinness and Sons has purchased 300,000 ordinary shares in Martin the Newsagent, representing 2.3 per cent, and has lifted its stake in Martin to 24.6 per cent

Guinness holds 1.08m (8.1 per cent) and has received irrevocable undertakings in respect of 2.18m (16.5 per cent).

John Brown has sold the saws division of Firth Brown Tools to Spear and Jackson Inter-national for some £400,000. The lebtors and creditors of the busi-ress have been retained by John

The company also announced he closure of its drills business a Sheffield. The remaining activities of Firth Brown Tools, in the areas of hard metals and shear blades, continue to trade profitably, the directors state.

As part of an internal reorganisation of the Seagram Group, shares of Seagram Distilers' owned by Seagram Investments, Texas Pacific Oil (UK) and Joseph E. Seagram and Sons, were acquired on May 14 by Seagram and Sons, were acquired on May 14 by Seagram Holdings.

were arquired on May 14 by Sea-gram Holdings.

More than 99 per cent of the shares of Seagram Holdings are owned within the Seagram Group, and the shares acquired represent more than 86 per cent of the total issued of Seagram Distillers.

S. G. Warburg and Co, as an associate of Mercantile House Holdings, bought on behalf of discretionary investment clients, 100,000 Jessel, Toynbee and Gillett ordinary shares at 99p, and 300,000 at 98 ½ p.

A subsidiary of Chubb and Sons. Chubb Fire Security, has purchased Firekil International from J. & W. Ward and Sons. Firekil specialises in fixed sprinklers and water hydrant installations. Its latest major installation was for the recently completed Thames Barrier.

redundancies are envisaged and the group will continue to trade

Williams Holdings has acquired two Blackwood Hodge sub-sidiaries, Aircraft Engineering Components and Scotts Commercomponents and scous commer-cial Vehicles, together with three associated properties. A con-sideration of £385,000 cash has been paid although this figure will be adjusted when the net final assets as at March 31, 1984 have been finally established.

# Armeo Trust Ltd. ..... Associates Cap. Corp. Banco de Bilbao ....... Bank Hapoalim BM ...

BASE LENDING RATES

Edward Manson & Co.
Meghraj and Soos Ltd.
Midland Bank
Morgan Grenfell
National Bk. of Kuwait
National Cinabat Bank of Ireland .....
Bank of Cyprus ......
Bank of India .....
Bank of Scotland ..... National Bk. of Kuwait
National Girobank
National Westminster
Norwich Gen. Tst.
People's Tst. & Sv. Ltd.
R. Raphaei & Sons
P. S. Refson & Co.
Roxburghe Guarantee
Royal Trust Co. Canada
J Henry Schroder Wagg
Stabdard Chartered
Trade Dev. Bank
TCB
Trustee Savings Bank
United Bank of Kuwait
United Bank of Kuwait
United Bank of Kuwait
United Mizrahi Bank
Volkskas Limited
Westpac Banking Corp
Whiteaway Laidlaw
Williams & Glyn's
Wintrust Secs. Ltd
Yorkshire Bank Banque Belge Ltd. ... Barclays Bank ..... Beneficial Trust Ltd. ... Bremar Holdings Ltd. ... Brit. Bank of Mid. East Brown Chi-E Brown Shipley ...... CL Bank Nederland ... Canada Permn't Trust Castle Court Trust Ltd.
Cayzer Ltd.
Cedar Holdings
Charterhouse Japhet Charterbouse Japhet ... 91%
Choulartons ... 101%
Citibank NA ... 91%
Citibank Savings ... 91%
Ciydesdale Bank ... 91%
C. E. Coates ... 101%
Comm. Bk. N. East 91%
Consolidated Credits ... 91%
Co-operative Bank ... 9%
The Cyprus Popular Bk 91%

4 A. C. J. 18.

3200 g green

The Cyprus Popular Bk 91% Dunbar & Co. Ltd. 91% Duncan Lawrie 91% E. T. Trust 91% Exeter Trust Ltd. 101% First Nat. Fin. Corp. 11 % First Nat. Secs. Ltd. 91% Robert Fraser 10 % Grindlays Bank 1 9 % Guinness Mahon 9 % Hambros Bank 91% Heritable & Gen Trust 91% † 7-day deposits on sums of under £10,000 6%. £70,000 up to £50,000 65%. £50,000 end over 7-2. ‡ Call deposits £1,000 and over 52. ‡ 2-day deposits over £1,000 7-2. \$ Demand deposits 5%. ¶ Mortgage base cate.

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Investment Adviser

May, 1984

Daiwa Securities Co. Ltd.

The Nippon Credit Bank, Ltd.

The Tokai Bank, Ltd.

New Japan Securities Co., Ltd.

April, 1984

**NEW YORK STOCK EXCHANGE 34** 

Rally emerges in Eurodollar bonds, Page 42

Tuesday May 22 1984

**WALL STREET** 

# Attention still centred on Chicago

THE UNFOLDING of the \$7.5bn aid package for Continental Illinois kept Wall Street busy yesterday, with the injection into the markets of the federal cash involved being reflected in a further easing in short-term interest rates, writes Terry Buland in New York

writes Terry Byland in New York.
Leading stocks meanwhile held below last week's closing levels for much of the day, but turnover was moderate and there was little attempt to sell. The revision of GNP statistics for the first quarter to show economic growth at an 8.8 per cent annual rate buoyed confidence in the equity market. Also helpful was an upgrading of debt issues of the big three Detroit motor manufacturers.

The Dow Jones industrial average closed 8.48 down at 1,125.31. In the credit markets, the Federal Reserve again acted to drain reserves by

overnight matched sales-purchase arrangements when the federal funds rate had fallen to 9% per cent. The first two days of this week bring

the regular monthly meeting of the Federal Open Market Committee, where the board will review credit policies in the light of the latest developments. Credit

DJ Transport

S&P Composite 154.73

DJ Utdities

market analysts believe that despite the evidence of continued economic growth disclosed in last week's economic data. the Fed will be unwilling to tighten credit policies until the problems of Continental Illinois have died down.

The market view seemed in accord with that expressed in London by Mr Malcolm Baldridge, the U.S. Commerce Secretary.

Rates on bank certificates of deposit eased in response to the action taken to aid Continental, with CDs of the Chicago bank sharing in the general recovery.

In the stock market, Continental Illi-

nois' equity also improved, putting on an early \$% to \$10% in busy trading which

The closing Wall Street report and updated U.S. market monitors were unavailable because of continuing indus-trial action at the Financial Times' printers in Frankfurt.

We regret full Wall Street stock price lists were not available for this edition because of a computer failure in New York. A reduced listing appears on Page

took it to the top of the market's active

But other banking issues continued to weaken as the market awaited developments on the plans to merge Continental with another bank. First Chicago, which rejected suggestions that it would be the partner, dropped \$2 to \$214. Chase Manhattan fell \$1% to \$43%, and Citicorp at

Airline issues gave further ground on the fear that the Middle East flare-up could lead to higher oil prices, which are a major cost factor. Northwest Air dipped \$1/2 to \$35 and Delta gave up an early rise to stand unchanged at \$30.

Industrial stocks remained on the defensive as investors awaited calmer news from the Middle East, or from domestic credit markets. Some early buying demand melted away as bond prices came off the top.

General Motors, which announced that it is considering a move into the data processing business, edged up \$\% to \$62\%. But General Electric remained unchanged at \$53\%. IBM shed \$\% to \$109 in modest trading.

Oil share prices were a shade firmer in response to the developments in the Gulf. Exxon at \$42% gained \$1%. But the chief features of the energy sector remained the takeover situations. Shell Oil traded actively at \$58%, a net loss of \$16, with the market expecting the bid from the parent company to proceed without problems. Occidental Petroleum dipped 5% to \$34% on the absence of further bid news.

Weaker spots in the stock market included Upjohn, the pharmaceutical group, down \$1% at \$66, and Cummins Engine, \$1% off at \$70. There was some further buying of technology issues, with Texas Instruments S1% higher at \$139 and Digital Equipment \$1/4 better at

Turnover was again heavy in Walt Disney, which eased \$\% \to \$62\% as the arbitrageurs who have built up stakes in the film and entertainment group looked for a bid from Reliance Holdings in response to the move by the Disney board to link with the Bass family interests.

The bond market opened with gains of around half a point as the technical recovery was taken a stage further. Support died away at mid-morning, however, and gains were trimmed to a mere 134 or so. The new key long bond, the per cent of 2014, added 3/2 to 9813/2. The market was quiet with most of the interest at the short end.

### LONDON

## **Preference** is for the sidelines

THE FINANCIAL difficulties of Continental Illinois, which halted a recovery in leading London equities and gilts on Friday, remained a drag on sentiment

yesterday.

Hopes that the problems of the U.S. bank might be contained boosted confidence slightly, but the majority of investors were content to remain on the sidelines and to keep a watchful eye on de-American interest rates. The FT Industrial Ordinary index managed to rise 1.8 to 876.2.

Most blue chips fluctuated within narrow limits with oil shares maintaining a firm trend. British Petroleum gained 8p to 540p, and Britoil was a similar amount ahead at 268p. Confidence appeared to be lacking in

government securities. Quotations at the long end of the market tended to drift back with gains of about 4 for the day. Rises in shorter-dated issues were lim-

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37.

### **AUSTRALIA**

3.85 323.75

11.805

3.165

4.3275

78.1

68.45 88.31 88.18

641.65p

104-06 104-08 103-31 103-27

657.45p

\$28.40

£1018 75 £1005 50

£2495 00 £2446.00

COMMODITIES

2366.5

3.84

324 5

11.79

3.1625

78.0 1.801

4.32

233 05 8.475

2.271

3.102 1699.0

56.04

1.29425 1.29525

233.25

8.5135

2*2*795

56.29

INTEREST RATES

1706.5 2363.75

THE DECLINE in Sydney steepened and accelerated as the All Ordinaries index fell 10.7 to a low for this year of 714.7. Golds, drawing benefit from firm bullion values, were the only area to ward off the downward pressure. The gold miners showed Central

Norseman 16 cents stronger at AS6.06, Canadian markets were closed yester-

day for a national holiday. but elsewhere on the resource side the picture was bleak. BHP fell 25 cents to AS10.35, EZ Industries 16 cents to AS4.90

and Vamgas 5 cents to AS3.15. Weakness in BHF was attributed partly to its involvement in an exploratory Timor Sea oilwell, results from which were still far from clear. Of the others connected with the project, Ampol Exploration slid 30 cents to AS3.90 and Weeks Australia 18 cents to A\$1.40.

### **HONG KONG**

MOVEMENTS were minimal in Hong Kong as trading quietened further and the Hang Seng index, after fluctuating either side of its pre-weekend close, settled 2.72 lower at 893.01.

Falls of 5 cents were common to Cheung Kong and New World Development on the property side at a respective HKS7.95 and HKS2.95, while rises of that amount were managed by Hong-kong Land at HKS3 as well as Hongkong Electric at HKS5.25.

### **SOUTH AFRICA**

THE STRENGTH being evidenced in precious metal prices allowed strong gains to Johannesburg golds, but outside this area the dampening influence of peak interest rates prevailed.

Randfontein gained R6 at R189.50 and FS Geduld R1.75 at R52, while among the mining financials Amgold put on a more muted 90 cents to R147.50 and Gold Fields of SA 75 cents to R28.50. De Beers at R9.40 was 5 cents firmer.

Rustenburg Platinum was another strong spot, adding 35 cents to R15.

### Frankfurt fights off the setbacks

MOST EUROPEAN centres drifted lower yesterday, with the most prominent exception being West Germany where car makers reversed part of last week's losses generated by industrial unrest.

The Frankfurt revival, reflected in a 6.8 point gain in the Commerzbank in-

dex to 1,011.6, was widespread with bluechip motors and some chemicals registering welcome advances.

Daimler surged DM 12.30 forward to DM 576.80, BMW was DM 3.90 stronger at DM 383 and VW managed to rise DM 1.70 at DM 190.70.

Hopes that a new round of talks between employers and the IG Metall union over a 35-hour work week would reach agreement was the source of the rebound in prices.

Broadly higher chemicals saw Schering rise DM 5.50 to DM 343.50, BASF improve DM 2.30 to DM 165.80 and Hoechst gain DM 2.10 to DM 174.80.

Engineering issues edged higher while banks proved sharply mixed, with Deutsche Bank DM 3 up to DM 366.80 ex-dividend and Commerzbank DM 6.50 off at DM 164.

Bonds were little changed as the Bundesbank sold DM 18.3m of public paper after purchases of DM 26.8m on Friday.

Political discontent over the basing of cruise missiles in the Netherlands and Wall Street's previous lacklustre performance cast a shadow over Amsterdam, although the ANP-CBS general index lost only 0.2 to 165.5 and the bond market traded slightly firmer.

A weaker dollar moved against inter-nationals with Philips 60 cents off at F1 47, Unilever F1 3.50 down at F1 247 and Akzo 10 cents lower at FI 98 despite substantially higher first-quarter net profits. Royal Dutch proved the exception with a Fl 1.50 advance to Fl 164.20 on buying interest from the UK and U.S.

Paris drifted lower in dull trading as investors began to square positions in preparation for the new monthly trading account tomorrow. The ennui was reflected in declines outnumbering advances by a margin of two-to-one.

The most stimulating performer was Carrefour, FFr 25 ahead at FFr 1,711, while other food retailers and processors were mainly marginally weaker or unchanged. BSN Gervais was particular-

There's a new, first class experience

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class experience' at a

Our British Aerospace

passengers, instead of

aircraft seats just 33

the standard 48, in

armchair comfort in

Flying Venture you enjoy in-flight meals

a spacious, fully

served with

champagne and

wine, free drinks,

newspapers and

magazines and the

exclusive executive

pressurised cabin.

business like fare.

ly poor with a FFr 50 drop to FFr 2,595, Matra's FFr 69 decline to FFr 1,401 helped erase most of last week's gain and it is now trading near its low for the

The failure to alter non-disclosure regulations of Swiss banks by referendum did not surprise Zurich investors and most shares finished slightly lower in moderate trading.

Bank Leu slipped SwFr 125 to SwFr 4,000, Union Bank was unchanged at SwFr 3,625 and Swiss Bank added SwFr 1 to SwFr 361.

Chemicals, financials and oils were lower in sluggish Brussels trading. which saw utilities mixed and market leader Petrofina surrender BFr 20 to

Major industrial shares turned sharply lower in Milan with only a few issues resisting the trend. Fiat lost L105 to L4,140, Montedison slipped L2 to L205, while Olivetti moved L56 stronger to

L5,200. In Oslo, Norsk Hydro's move back into petroleum product retailing saw a NKr 39 rise to NKr 721 with healthy gains also for Norsk Data, up NKr 8 to NKr 321, and Storebrand, NKr 5.50 ahead at NKr 243.

Stockholm began the week mixed in thin trading.



### SINGAPORE

OVERSEAS institutions were again identified as sellers in Singapore and, although trading remained light, the Straits Times industrial index slid 16.37 to 930.43 to stand at a 1984 low.

Domestic interest was also being dampened ahead of key elections on Friday within Malaysia's leading political party, and ahead of month-end settlements which were thought likely to squeeze some investors who had bought on margin before the latest setbacks.

Sime Darby, the day's most active on just over 10 per cent of the total 7.4m shares traded, shed 5 cents to S\$2.16. Pan Electric fared poorly with an 11 cent fall at S\$1.82.

## Languid day leaves most lower

A SHORT-LIVED rise in morning Tokyo trading provided the only relief in an extremely languid session, and the market closed lower, writes Shigeo Nishiwaki of

The higher opening mirrored a rally on Saturday, with the Nikkei-Dow market average posting an early gain of more than 35 points. As buying ceased in the middle of the morning session, small-lot selling set in and the 225-issue indicator closed 65.23 lower at 10,164.97.

Losses sharply outnumbered gains 421 to 219, with 158 issues unchanged, on volume of only 186.53m shares. Of the 10 most actives, however, seven showed gains. Volume leader was Marubeni with 12.75m shares changing hands, fol-

lowed by Aoki Construction on 6.83m. Marubeni soared Y18 at one stage on rumours of gold prospecting in Alaska, but finished only Y1 up at Y401. Aoki advanced Y14 to Y974, apparently reflecting last week's announcement of

gold mining in Brazil. The Nikkei-Dow had nose-dived 489.97 over two days from last Thursday. After the Tokyo Stock Exchange lowered margin requirements from 60 per cent to 50 per cent, the indicator staged a rally of 103.22 on Saturday to stay above the

Buying yesterday concentrated on oils and non-ferrous metals in view of the increasing tension in the Middle East. Teikoku Oil added Y15 to Y745 and Sumitomo Metal Mining Y30 to Y1,850.

Small-lot selling pushed Hitachi, the focus among blue chips, down Y13 to Y830. This increased investors' wariness, and NEC dropped Y10 to Y1,170 and Matsushita Electric Industrial Y30 to Y1,680. High-priced issues also declined, together with machinery, precision instrument and commerce stocks. Kyocera lost Y60 to Y5,530.

Stock prices are expected to remain in an adjustment phase for some time in the absence of a powerful stimulus such as a sharp rally on Wall Street.

Interest rate movements in the U.S. continued to weigh heavily on the bond market and most institutional investors kept away. In extremely slow trading, the yield on the barometer 7.5 per cent government bonds maturing in January 1993 rose from 7.34 per cent on Saturday to 7.36 per cent.

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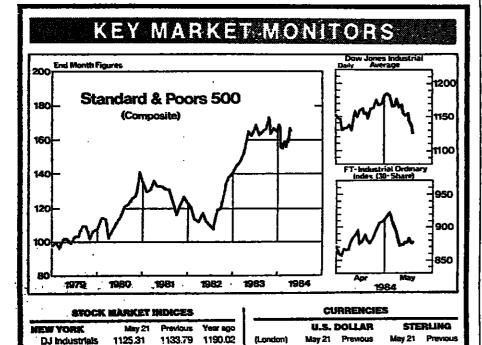


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155.78 162.13

LONDON			
FT Ind Ord	876.2	874.4	692 4
FT-SE 100	1109.7	1104.9	917.7
FT-A All-share	520.86	519.79	422.62
FT-A 500	571.18	569.64	458.99
FT Gold mines	662.4	637.8	636.5
FT-A Long gdt	10 57	10.60	10.66
TOKYO			
	10.164.97	10,126 80	8,561.45
Tokyo SE	798.48	797.83	631.73
AUSTRALIA	7147	725.5	608.0
Ali Ord.	473 1	4 <b>5</b> 3.4	543.2
Metals & Mins.	4/31		
AUSTRIA			
Credit Aktien	54 85	54 79	57.76
RELOIUM			
Belgian SE	155 03	155.32	122.04
DESCRIPTION OF			
CANADA		Previous	Yr ago
Terente			
Metals & Minls	closed	1941 0	2389.2
Composite	closed	2242.7	2.00
Montreel	ale a a c	100 50	!
Portfoho	closed	108.26	
DENMARK			
Cepenhagen SE	189.96	193.06	140.08
FRANCE	174.7	1763	123.8
CAC Gen	109.0	110.0	75.5
Ind Tendance	109.0	110.0	
WEST GERMANY			
FAZ-Aktien	347 44	345 62	311.79
Commerzbank	10116	1004 8	932 2
HONG KONG			
Hang Seng	893 01	895.73	942 05
STALY	205 96	206.8	192 68
Banca Comm			
<b>NETHERLANDS</b>			
ANP-CBS Gen	165 5	165.7	123 4
ANP-CBS ind	132.1	1325	101.5
RORWAY			
Oslo SE	294.84	289,36	189 81
SHIGAPORE			
Straits Times	930.43	946.8	939 13
Ottala illica			
SOUTH AFRICA	_		
Golds	1017.1	9607	945 8 961 6
Industrials	1069 2	1068 0	3010
SPAIN			
Madnet SE	clasud	120 64	115 SO
SWEDEN	4455 54		1466 77
125	1485.91	£:3	1456 23
SWITZERLAND			
Swiss Bank Ind	373 4	377 4	3248
			Var. 700
WORLD	May 18		Year ago
Capital Int'l	179.6	161 8	1770
CVI	D (per o	ince)	
Q.OL.	- Inc. o	4146	

			Euro-currenci	es	N	lay 21	Prev
164.97	10,126 80	8,561.45	(3-month offered			-	
798.48	797.83	631.73	2	,		9%	91/16
			SwFr			314/16	4
-			DM			6	67 <sub>18</sub>
7147	7 <b>2</b> 5.5	608.0	FFr			211/16	12%
473 1	453.4	543.2			-	2 /16	12.4
			FT London Inte	SCHOOL !	ixmg		
		E2 76	(oftered rate)			1%	11%
54 85	54 79	57.76	3-month	-	-	178 214	12%
			6-month		-		
155 03	155.32	122.04	U.S. Fed Fund			9%	8%
100 00			U.S.3-month (		-	1.05	11.25
	Previous	Yr ago	U.S.3-month 1	-bills		9.68	9.79
closed	1941 0	_	[	U.S BO	NDS		
closed	2242.7	2389.2		May 2	71.	Pre	
			Treasury	Price	Yield	Pnce	-
closed	108.26	_			_		
		<del></del>	11% 1986	98° 'A2	12.43		
			127, 1991	95 <sup>29</sup> 02	13.29		
189.96	193.06	140.08	13'n 1994	96"±	13.41	9810/32	13.56
			1314 2014	58 <sub>18.15</sub>	13.45	98' <sup>1</sup> '32	13.46
174.7	1763	123.8	Corporate	May :		Pre	
109.0	110.0	75.5	AT & T	Pnce	Yıeld	Price	Yield
ט.פטו	710.0	133	101a June 1990	87%	13.50	87₹	
			3° July 1990	69	10 70	69%	10.70
347 44	345 62	311.79	83, May 2000	661:	14.05	65 °a	14.20
0116	1004 8	932 2	Xerox				
			10°s March 1999	3 83%	13.85	83%	14.00
		A . A DE	Diamond Shami	ock			
893 01	895.73	942 05	10% May 1993	8314	13 95	82%	14.10
			,				
205 96	206.8	192 68	Federated Dept	76	14.05	76	14 05
			10°5 May 2013	70	17.00		
	_		Abbot Lab				44.00
165 5	165.7	123 4	11 80 Feb 2013	841,	14.00	84%	14.00
132.1	1325	101.5	Alcon				
			1214 Dec 2012	85**	14.35	85%	14.35
294.84	289.36	189 81					
254.04	200,00	100 01	FINA	NCIAL	FUTUI	RES	
				Latest	High.	Low	Prev
930 43	946.8	939 13	CHICAGO			LUIT	1.00
			U.S. Treasury	Pôuga (	, pri		
	9607	945.8	97 : 32nds of 100	~~ ^P	62-21	en 00	62-01
1017.1	1068 0	9616	June			02-00	02-01
1069 2	1000 0	30.0	U.S. Treasury	B케IS (1분			
			Sim points of 1	CO"a			
closed	120 64	115 80	June		89 81	89 70	89.69
			Certificates of	Deposi	(IMM)		
			Sim points of 1	00 0			
465.91	£;3	1456 23	June	88.54	88.60	88.46	88.42

LONDON

June

(London)

Silver (spot fixing)

Oil (spot Arabian light)

Copper (cash)

Coffee (May)

\$379.75

\$380.50

S380 50

**\$379 61** 

London

Zunch

Frankfurt

Paris (fruing)

Luxembourg (fixing)

وتعيرا فلأخلف والإدام

New York (May)

\$376 50

\$375.50

\$375.75

\$373.90

\$37560

\$1m points of 100%

20-year Notional Gilt

£50 000 32nds of 100%

### WORLD STOCK MARKETS

NEW YORK	Gigna Corp 35-74 Concesser Mil 25-74	- % Goodrich (BF) 2944 - 1/8 Goodrear Tire 24	- % Mohasso 182 a - 'n Manarch MrT 165 s	- 1-2 SCM 37-4	CANADA	Stack 18 1	Stock 18 17	Stock 18 17	Stock 18 17
(4.60 pm Prices) May Stock 21	Varm Checory	- 1/8 Sould	- I vs Monsanto 91 - **s Monse McCrmk 23 - **Morgan (JP) 671s	- 12 Scott Pager	. May · May Stock IE 17	Campbell Red Lk 33% 33%	1 Annual Carenteist 5.45 5 30	Macmil, Bloedel 27% 88 Marks & Spencer 144 14%	Ranger Oil 101: 101: 101: 101: 121: 121: 121: 121:
ADF industries 521-7 AMF Corp 201-4	- ½ Geve Cil Iron	- Va Gt. Ari Pac Tea 15 va Gr Athn Neksona 34 34	- Vs Marrison Knuto . 30° 2 - Vs Morten Thokal . 74° a - To Montola . 10° 4	- Sealed Power	AM_A inti 21: 21: Abit.br 26 26	Can. NW Energy. 32': 32': 32': 26': 26': 26':	Dominion Strs. 20'1 20'4 Domtar 32'4	Massey Fergusor 5,95 5,90 McIntyre Mines 551: 35 Mitel Corpn 81: 81:	Royal Sank 95 20: Royal Trust A 94 24:
ASA 52	- 14 Cluett Peeby 261/h - 14 Coastal Corp 361/4 - 14 Cora Cola 551/s	- 3/1 - Va Greybound 23	Монзыкумгог	- 1'a Security Pec	Agnico Eagle 15 : 15 : 15 : 15 : 15 : 15 : 15 :	Can Imp Bank 24:: 24 Can Pacific 40 41:	Faiconbridge 20, 20 4	Motson A 17 17 Moore Gerp 47 485 Nat. Sea Prode A 614 : 614	Scaptic Res 51: 614 Seegram 4214 4319 Sholl Canada Oli 2511 2512
Actual Claus	- % Colgate Pelm 23% 23% 31%	- % Grunnan	. 34 + 34 Murphy Oil 3514 + 14 Nathson Brand 40	- Skell Trans 3834 - 18	Bank Montreal 23: 23%	Can. Tire A 101: 10	Gt. West Life 2.85 2.85 Gulf Canada. 17:, 1814	Noranda Minet. 191: 195a Norcen Energy, 19 1914	Simpson Sears & 71 8
Advanced macro 304 a	- % Columbia 6as	- Vs Guif Stans Us 11-Vs - 34 Guil Und 101 - 34 Hall (FB) 201/2	- Vs. Marko Chest	- 12's Sharonn-Wars 262's 's - Va Sugma Aldrich 4324 - 26 Sugma 4 281's 11's	Bank NoveScotia 10% 10% Bell Canada . 30% 20% Sombardier . 16% 16%	Carior 16'. 17: Caring C'K'e 19 18: Cnieffain 16': 16'	Hudson's 837 21 2114 Husky Oil 1114 1114	Nova Alberta 67 678	Teck 8
Aston Life & Cas	- % Combusto Engg 3124 - %	- Ve Heiliburton 36 Vz Karomeronii Por 50 Vs - Ve Hanna Mining 22	- 1/2 Net Dist Chem 28%a + 1/2 Net Gypsom 32 - Ve Res Medical Ent 22%a	- 'le Simplicity Part . 101/2 17 - 1 Singer	Bow Valley 24 24 BP Canada Res. 2214 2214 Brascon A 4514 3514	Comingo 15': 15' Cons. Bathst. A 2g': 29 Copper Lake 2.17 2.2	Imperial Oil A 38% 38% inco	Oakwood Pet 712 713 Pan Can Pet 26 2514 Patino	Transcants A 2018 3013
Albertson's 2734 Alcen Akmeum 2713	. – Comm Satellite	- 1Vs - 1/2 Harcount Brace	Mat Semichum	- Va Szerit kitti	Brinco. 2.15 5.05 B.C. Forest . 9.2 9.4 Cil. Inc 28 28	Costain 8:2 . 8: Denison Mines A 18te . 18t	Int. Pipe 2714 27 LACMinerals 321 3214	Pincer Dev 21 214 Power Gorp 20 2014	Walker Hiram
Alco Standard 28% Alcoander I Alex 19	- 24 Conset	+ Vs. Harris Corp	- % NCNB	- Va Sony 141.s is	CadillacFairview 12 12 12 12 12 12 12 12 12 12 12 12 12	I GERMANY	I NORWAY		[APAN (continued)
Albed Bancskrs 2214	- Cons Foods	- Va Hecka Minong 19 Va - V2 Heinz (HJ) 34 %s - V2 Helmench & Payne 22 V2	+ % New England B 32 - % NY State £86 16? s - % NY Tauzes 283 a	- Ve Silvo Cal Edison 37 - 12 - Ve Southern Co 14%	May. 21 Price + or	May 21 Price +	May 21 Price + Of	May, 21 Price + or	May, 21 Yen
Allied Corp	- % 4 Va Consumer Power	- Ye Hercules	- ½ Neumant Wining 44% - ¾ Nieg Moheud 14½ + ½ NICUR Inc 27½	- 1/2 Stitle fit Eng Tel 31 1/2 - 1/7 - 3/2 Southland 313/4 - 1/2 - 1/2 SW Bancakares 215/3 - 1/2	Greditanstalt 211	Dm. —	3 Bergen Bank 181 +1	Gen Prop Trust 2.12 -0.85	Mill
Alcoz	- 1/4 Contl Corp	- 44 + 3/a Hilton Hotels 49% - 44 Hizachi 35%	History (AC) A 42% — Hike B 18% — 10g	- % Spring leds	Goesser 353 -2 Interunfall 408 -1 Laenderbank 206 :	Allianz Vers 765 +1 BASF 165.8 +2 Bayer 170.9 +1	1   Serregaard 322.5 + 4.4 .5   Christiania Bk. 181 + 3 .6   Den Norsk Gedit 176 - 1	Hartogen Energy 2.70	Mitaukoshi 340 - 1 NGK Insulatora 734 + 4 Nihon Cement 2151
Amerada Hess	- Vs Conti Telep	- V4 Holiday Inns 39-V4 - V2 Holly Segar 69-V4 + Ve Homestako 30-Va	- 1/2 ML Industries	+ la Squith 40 la - la - la - la Stafey (A E ) 20 - la	Perimpager 352 —2 Steyr Dimiera. 147 Veitscher Mag 216	Bayer Hypo 291 +1 Bayer Verein 325.1 -1 BHF Bank 282 +6	Elkem	Jimb'lana:50cFP 0.26 Kia Ora Gold 0,15 +0,61	Nippon Denso 1,42030 Nippon Elect 1,17010 Nippon Express 3053
Am. Broadcasting 5744 Am. Cao 4134	+ ½ Coors Adolph	- Va Honeyeeli 50 Va + Va Hooser 23 Vz - Vz Hooser Unrel 21 Vz	- 1 1/4 Hth Am Coul	+ Ve Std Brds Print	BELGIUM/LUXEMBOURG	BMW. 383 ±3 Brown Boveri 210 +1	9 Storebrand 243 - 5,	Mayne Nickless 2.28 Meskatharra 0.75	Nippon Gakla 620
Arr. Cyananii 493a Am. Elect. Per 181a Am. Express 291/2		Hormel Geo	- Nith Indiana PS	- 1/2 Std Oil Obio	May 21 Price + or Frs	Cont'i, Gummi. 121.7 -1 Damler Benz 576.8 +1 Degussa 374 -4	,7 STAIN 2,5	Myer Emp 1.79 0.14	Nippon Seiko 520
Am. Gent. Insuce 20% Am. Hoist & Dk. 17 1/4 Am. Home Prod. 52%	- 2's Cray Research	- 1 Ve Household Intl 26 Ve - 1 Ve Household Intl 16 Ve - 1 Houston Nat Gas 52 Ve	- % Nest Artines	- 1/4 Starting Orag 2434 - 12 Stavens UP) 183 - 14 - 1/4 Starage Tech 91/2 - 14	ARSED	Disaba Dahasa   155.5 _ 2	Pias -	Hicholas Kiwi 2.35 -0.5	Nippon Steet 163 + 3 Nippon Suisen 315 + 5 NTV
Am. led Grp 581/2 Am. Hosp Supply 331/2 Am. Medical Ind. 25	- 1/2 Crown Zell	- 174 - 177a - 78 Humana - 28%	+ ½ Monst hels	- 1 Satura Asser	Bekaert B., 4,055 -35 Ciment CBR., 2,420 -10 Cockerill 293 -8	Deutsche Bank 366.8\( + \) Dresdner Bankk. 168.2 -0 GHH	5 Bco Exterior 204 -3	Otter Expl 0.55 +0.84	Nissan Motor 535 + 7 Nissahin Flour 420 Nissahin Stesi 207 + 2
Am. Motors 43-6 Am. Mat. Resces 32-7a	Damon 13	- Vs. Hutton (EF)	- Ve Base Indis ADR	- Va Sondstrand 44 V7 - 7 e - Va Sonerno Dil 41 Va - Va	Pelhaize 4,800 4,800 5 EBES 2,550 -45 Electrobel 6,980 -10	Hoechst	Beo Santander 501	Queensland Coat 1,10 0,63 Reckett & Coin 2.65 0.05	Nomura
Am. Perima	3/8 Dart and Kraft	# 10 Inds	+ Vs. Option	- ¾4 Super Vel Strs	Fabrique Nat 2.110 —20 GE Inno BM 5,110 —5 GEL (Brux) 2,280 —20	Horten 194.5 +0.  Kalı und Salz 202.9 +2.  Karstadt 260.2 -0.	Hidrola 51.7 67.5 +0.5	Santos 5.7 +0.92 Smith (H.) 3.85	Orient Leasing 3,350 90 Pioneer
Am. Stores	- 1-2 Uayton Hadson 2674 - Deers 297/8 + 3-8 Delta Air 301/7	- 7/6 Imp.Corp. Amer	- Ofin	Tatt 5734 - 17 - 18 Tempes	Gevaert 3,255 +5 Hoboken : 5,450 +10 Intercom : 2,175	Kaufhof 236 - 2 KHD 247 + 2	Telefonica 64 : -2.0	Spargos Expl 0.33 +0.01 Thos. Natwide 1.820.92	Ricch 915 - 10 Sankye 677 - 9
Americk Inc. 22 vs Americ 233/4 AMP 1001/2	- 2g Denny's	- 1/2 Ingersoll Rand	+ Vs Oneok	- Tandem Comp	Kredietbank	Krupp 78 134 -1 Lufthansa 134 -1	. SWEDEN Price + or	Teeth 3.3 -0.65 Vamgas. 3.15 -0.65 Western Mining. 3.5 -0.16 Westpac. 3.62 -0.88	Sapporo
Amster 48 kg Amster Inds 30 Anctor Hocky 24	- Dismand Shamk 21 /s - 1/4 - 2 /2 Dusteld 74 /2	- Vis Intertable	+ Vs. Davess Minnis	- V4 Teletyme	Royale Beige 9,300 -50 Soc. Gen. Bang 3,250 +35 Soc. Gen. Beige 1,825 -10 Sofina	MAN	AGA	Woodside Petrol., 1.16 - 0.81 Woodworths 2.53 Wormald Intl 3.15 - 0.85	Shi madzu 520 - 10 Shi onool 528 + 3
Anheaser-8h 51 1/2 Apple Comp 32 Archer Daniels 172/a	- Cigntal Equip	+ \$40 - Int. Flavours	PPG Inds	- Texaco	Solvay 4,240 -10	Metaligesell 244.5 +0. Muench Rueck 1,030 : +2	ASEA (Free - 325 -12		Shiserdo
Arizona Puls. Ser 1514 Arkia 213/a Armon 183 s	- Doore Mines	- Int. Income Prop 974 - Vs Int. Moni & Chem 35% - 1 Int Muliflands 26%	- Va Pac Gas & Elec	- Va Texas Gas Irm	Vieille Mont 4,100 +50	Preussag	Atlas Copco 1261 5 Bolldon 415 +7 5 Cardo (Free) 380 - 5	May. 2I Price + or	Stanley
Armstrong Will , 23%s	+ V <sub>8</sub> Bover Corp	- Inif. Paper	- 1% Pan Am Air	- Texas Cit Gas	DENMARK	Schering 343.5 +5, Siemens 394 +4 Thyssen 84.5 +1.	Electrolux B 3752	Bank East Asia 19.8 —0.4 Cheung Kong 7.95 —0.85	S'tomo Metal 175 +5 Taihe: Congro 488 Taisel Corp 212 -1
Astro 282 e Ashland Dil 273 a Assd. B. Geods 474 a	-	Jeffo-Pilot	- Ne Parker Onling	+ Ve Thomas Betts		* (= (* ) ·	5   Essette	China Light 10.7	Takeda 670 -4 TDK
Auto-Data Prg	- 1-3 Dr. Pepper	- Jim Walter	- 1/z Peakody Ind	- Va Tome No	Aarhus Olie 420 Andelsbanken 2348 Baltic Skand 65020	Verein-West 298 -2 Volkswagen 190.7 +1.	_   Skandia	HK Electric 5,25 +0,5- HK Kowloon Wh 3,42 +0,67	Telkoku Oli 745 +15
Avery left 245g Armet 317a Avon Prods, 195va Bales left 21 va	- 1/2 du Pont	- V2 Josepha Loyan 27 Vs + V4 Joy Mlg 26	- Pennay 100	- 34 - Va Tipperary	CopHandelsbank 235 —8 D. Sukkerfan 620 —15 Danske Bank 227 —8	May 21 : Price or	Skan Enskida 330   SKF 213 + 1   St. Kopparbergs. 745 + 5   Syen Handelshn. 190 - 5	HK Shanghai Bk. 6.1 —0.1 HK Telephone; 41,00 —0.25 Hurchison Woo 14,7xx	Tokyo Elect Pwr. 1,130 -49 Tokyo Gas
Rakhain litel 116	Easco 1854s 54s	- 72 Kaser Alum 2748 - 75 Kaser Alum 14 - Kaiser Steel 45376 - Kaneb Services 1578	- 1/4 Pepsico	- Tosta - 4Ve - 49 - 1 Total Pet 11Vs - 1Va - 1V	East Asiatro	Lire Banca Com'le 35,100 20	Swedish Match 244 3	Jardine Math 8.65 -0.65	Tokyo Sanyo 703 . — 7 Tokyo Styla 290 ' — 10 Tokyo Corp 305 ·4
Bafly Milg 187s Bait Gas & Bt. 324s Bangor Ponta 4104s Bank America 1874	- Vg Eastn Gas & F	- 3/4 Kaufsnan Brd	- Petrolane	- Trans - 5022 2 - 12 Transamenca - 222 b - 14 Transamenca - 44	I.S.S.B 595	Bastogi IRBS 108-4' —17 Centrale 2,500 +32 Credito Varesino 4,365. —45	5 SWITZERLAND	O'seas Trust Bk 2.8 —0.05 SHK Props	Toppan Print
Barrit of MY. 2844 Bankers Yst. NY 4144 Barnett Bits Fl. 3529	- 3s Echim Mfg 234s Eckerd Jack 224s	- 5/8 Kemper 347/8 - 1/2 Kempsestel 23-1/4 - 15/8 Kem-McGee 321/2	- Va + Ve Philar Sel's	Transvery	Novo Ind 2,430 Privatbanken 23610 Provinsbanken 3228	Fiat	Fra.	1 Wheel'k M'time 1.9	Toyo Serkan 725 -5 Toyota Metor 1,300 -20
Barry Wright 2414 Bausch & Lomb 18 <sup>1</sup> /a	- 14 Elect Memories	- Kidde	- 1/2 Philip Morns 84 Va - 1/2 Philips Pet 41 Va - Pilkbury 37	- Travelers	Smidth F 220 —7 Sophus Berend 1,185 Superfos 472 —11	Invest	·	JAPAN	Victor. 2,380 - 110 Waccal
Best Trav. Leb	- Embart	- 3/4 Koppers	- % Proper Corp	+ 7s Tritton Energy	FRANCE	Olivetti	5 Grown Boveri 1,370 Crba Geigy 2,355 -25 do. (Part Certs) 1,750	May. 21 Price + or	Yamanotichi 1,270 +20 Yamazaki
Bell 2 Hmaell	- 5% ENSERCH 2074s - 3 e Esmark 54	+ 1% Lear Simpler 41 1/2	Pittston 1342	- Underver NV	May 21 Price + or Frs	Snia BPD	Credit Sulsse 2,325 -25 Elektrowatt 2,610 -15 Elektrowatt 810 -3	Ajmomoto	SINGAPORE
Beneficial	- Ethyl	- 1 Vs Lesseway Trans	- Plessey	- Ununa Carbide	Emprunt 4-2 1575 1,780 - 3 Emprunt 73 1575 9,660 - 50 ONE 35 - 3,520 - 5	NETHERLANDS	<ul> <li>Genevoise 4,300</li> <li>Hoff Roche PtCts 103,250 +500</li> <li>Hoff-Roche 1:10, 10,325 + 100</li> </ul>	Asahi Chem 548 +8	May. 21 Price + or
Big Three Inds	+ 1/2 Exect 422's + 1/4 FMC	- 44 Lincola Nat	- 1/2 Putlach 2834 - 1/2 Prat Rebots 1014 - 1/2 Prentice Hall 4534	- 44 Union Da Cal 38 17 - 54 Union Pacific 45-74 16 - 19 Unionyal 11 14	Ar Liquide 535 · -14   BIC 420 · +3   Bouyques 6814	May 21 Price + o	Landis & Gyr 1,380 —20	Canon	Sousteed Hidgs 2.41 - 0.85 Gold Storage. 3,38 - 0.02
Blue Bell	- 1g	Loews 721/2 Long Island Ltg 85/s	+ 1/2 Primark 271/4 - Primar Computer 13	- 14 Utd Brand 1614 18 - 14 Utd Energy Ras 2614 18 - 17 USAIR Group 2718 53	BSNygues 02 05	ACF Holding 192 . +0, AEGON 128 -1	- Nestie 5,210 110 5 Oer-Buchrio 1,230 - 5 Preili 251 1	Chugai Pharm 9964 Citizen 49010 Daier 679 ' +4	DBS
Borden	- 1/2 Fed Eugress	- ¾ Lone Star Inds	- Pub Serv E 2 G 221/s - Vs - Vs - Vs - Vs	- Va US Fidelity 6	Club Mediter'n _ 888 - 22 CFAO 692 - 9 Cie Bancaire 489 - 6	Ahold 187.3 -0. AKZO 98 -0. ABN 356.5 -1	Sandoz Br 6,700 - 75 Sandoz PtCtsi 1,040 - 20 Schindler PtCtsi 580 + 15	Daiwa House 446 -3 Ebara	Incheape Shd 2.62 -0.03 Keppel Shippard 2.87 -0.07
Briggs Stratn. 2917  Bristol-Myers 4378  BP 30  Brockney Glass 1818	- % Fed. Paper Brd	- 1 Louisiana Pac	- Vs. Parolator	- 1% - 97 US Inds 22%	Cofimeg	AMEV	Swiss Bank 361 +1 Swiss Bank 7,900 - 250	Fanuc	Malay Banking 6,05 -0,15 Malay Brow 6,6 Multi Purpose 1,91 -0.81 OCBC
Brown Forman B 247's	Firestone 1754 - 1/2 1st Bank System 453/4	- Lower	- RCA	- US Shoe	Darty 925 -25 Dumez S.A. 681 -2 Eaux (Ge Gen) 550 -5 Eif-Aquitaine 272 -2.9	Bos Kalıs Westm. 33.5 + 0. Suehrmann Tet 68.5 - 3. Calland Hidgs 35 + 0. Credit Lyon'is Bk' 58.8 - 1.	Swiss Volksbk 1,450 -5 Union Bank 3,625	Fujisawa	008 4.18 5.18 0.15 Straits St mainp. 1.5 0.12
Brown & Sharp 141/a Browng-Farris 292-a	- 1/4 1st Chicago	- 1% MCA	- % Rank Org ADR 31/s Raychem 54/s - Va Raythem 357/s	- 05 Intest	Gen. Occidentale 634 +5 Imetal	Elsevier-NDU B5 ; — I. Gist. Brocades 141 — I.	17	Heiwa Real Est. 573 46	Strates Trog 5.5 -0,1 UOB
Brunswick	- ½ 1st Interstate	- 1/2 M.S.M. UA Em 141/2 - 1/8 Macmillan	- 17 - 17 - 1 Reading Bates 1249 - 18 Redman Inds 812	Uppelm	L'Oreal 2,445 -40 Legrand 1,975 -26 Maisons Phenix 228 -10	Heinekon		Hitachi	SOUTH AFRICA
Burning	- I.g Fischback	+ Ve Management Asst 24 Vz - ½ Mitors Hagginer 32 Ve	+ 1/a Reichhold Chem	- Vs Valery Energy 116.s + 1g - Vs Varian Assocs 39/4 - 5s	Matra S.A	Int Mueller 38,8 + 1, KLM, 167,8 + 1, Naraden 41,2 — 0,	May.21 Aust S. —	Hoya 1,650 :30   tch (C)   1,050   308   1,000	May. 21 Price + or Rand -
CSI Inds 3114 CBS 71 CPC Intl. 3672	First-Van	- Manwile Corp	- Va Republichanc Corp 29 Va - Republic Steel 25 Va - Reach Control 16 Va	- ½ Vernitroo	Moet-Hennessy 1,576 -24 Moulinex 100.8 -1.6 Nord Est 49 -0.1	Nat Ned Cert 230,2 +0, Ned Credit Bank 40 Ned Mid Bank 142 - 3	7 ANZ Group 5.7 0.04 Acrow Aust 1.6 Alliance Oil D 0.67 -0.02 Ampol Pet 1.75	Iwatsu 1,500   50	Abercom 2.1 AE & C! 9.40 Anglo Am Coel 31.5 Anglo Am Corp. 22.55 +0.25
Cabot	- Fluor	+ Va Marriott 6244 - Marsh McLenn 3944	+ Vs Reserts Intl A	- 7/e Walker (If) Res	Pernod Ricard 790 - 2 Perner 520 - 5 Petroles Fra 280 - 6	Nedlioyd	Aust Cons Ind 1.80	Kajima	Angio Am Gold 147,5 +0.9 Barclays Bank 19,50 -0.75
Campbell Red L 261a Campbell Soup 5414	- Fort Hard Paper 51 Va + 1:n Foster Wheeler 12 Va - 3:a Freeport McM 20 Va	- Martin Mitta	+ V4 - 34 Resign	Warriaco	Paugeot S.A 234.2 ~2.8	Pakhoed	P   Rust Paper	Kashiyama 620 '	Barlow Rand 14.5 +0.2 Buffels 79.35 +2.16 CNA Gallo 2.9
Canal Randolph 57	- Va Fruzhasi	- 1/a Mess Mett Corp 21/2 - 3/a Libby Owens Fd 44/a - 3/a Liby (Eii 60/4	- V4 Reynolds (R.I)	- 1% Warner Letekt	Printemps Au 1523 Radiotech 298 -10.9 Redoute 1,100 -75	Robeca	Bond Corp Hidgs 1.22	Komatsu	De Beers
Cap Cities Comm	- 23.8 GECD	+ Va Maytag	- ¾s Rite Ad	- 1/2 Wes Mids	Roussel Uciaf 1.100 Schneider S.A 90.5 + 0.4 Sefimag 262 - 3 Skis Rossignot 1,340 + 10	Rorento	Bridge Oil 2.7 -0.05 8HP 10.3xd -0.25	Kubota	FS Geduid
Carolina Per	- Garner	- Va + Va McDonnell Doug 53V7 - McGraw Edison 34V4	Hockester Gas	+ Vs. Westn Airfines	Tølemech Elect. 1,705 –30 l Thompson (CSF), 295 –7	VMF Stork	CRA	Maeda Const 490 — 5 Makino Milling 1,190 — 10 Makino Milling 1,290 — 12	Redbank
Catempillar	17g Sen Corona 40 17g Sen Dynamics 491/s 17g Sen December 531/4	- Va McGraw-Hill	- ½ Rohm & Hass	- Ve Westinghouse	Valeo 265 : -2		Coles (G.J.) 3.760.02 Comalco "A" 2.85	Marubeni	Rembrandt
Centes	- 1. Gen Foods	- 1 <sub>16</sub> Meditronic 29% - 1 <sub>2</sub> Medico Ned 37% - 1 <sub>3</sub> Medico Ned 32%	- Va Rowen 13 - Va Reyel Crown 37% - 15/a Royel Dutch 53	- Vis Weyerhaeuser 251g - 1a   - Vis Weyerhaeuser 24 - 1a   - Vis Weyerhaeuser 24 - 1a   - Vis Weyerhaeuser 381a	NOTES Prices on this : Individual exchanges and are la	page are as quoted on the	Duniop Aust 1.25	MEI	Sage Hidgs 5,35 SA Brews 7,65 +0,05 Smith (C.G) 26,25
Central Soya 1534 Certainteed 1774	14 Gen Motors 621/s	Merchile Sers	- 74 Rusherman 34 V7 + V8 Ryan Hemes 21 5/8 Reder System 42 V8	- Vs White Consolid 281/8 1 g	suspended, ad Ex dividend, xo xa Ex all.	e Ex scrip issue. xr Ex rights	Elders IXL, 5.8 -0.18	M bishi Corp 513 +7	Tongaat Huletta, 11,85 +0,15 Unisec
Cessna Aincit	- 1/2 Gen Pub (thirt	+ ½ Meresit	- Vs S.F.N Companies 251/4	- Vis Wilkens D		···			
Chama So Plug	- 14 Ger Remaurance 5278 - 15 Ger Signal 445/9 - 14 Ger Signal 311/7 - 15 Generatech 3246 - 15/8 Genuine Perts 271/8	+ 3a Meredish 42% + 4a Merrill Lyach 224% - 1/2 Mesa Pel 1844 - 3/2 Metrometia 37/4 - 3/8 Mideon 35/4	- Ve Salvoe Corp 24 Ve - Ve Salvoo 63 Vz + Ve Salvony Ses 23	- Wisc Dect Per					

May   May   May   May   May   May   May   May   High   Low   High   High   High   Low   High				
Composite   125.31   1133.79   1142.27   1153.16   1150.86   1151.07   1286.64   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1287.2   41.2   1800.0   1288.5   128.66   134.83   123.7   163.32   18.6   1800.0   1287.2   1877				
A78.47   474.58   480.35   494.24   496.3   499.18   512.63   474.58   512.63   51	part /			
### ### ### ### ### ### ### ### ### ##	bout ),			
May 11   May 4   Apr 27   (Year Ago Approximately 1914   May 11   May 4   Apr 27   (Year Ago Approximately 1914   May 11   May 4   Apr 27   (Year Ago Approximately 1914   May 11   May 4   Apr 27   (Year Ago Approximately 1914   May 18   May 1914   May				
May 11   May 2   Apr 27   (Year Ago Approximately visid the property of the	ies  i			
A.78   A.75   A.72   A.45   A.55   A.72   A.45   A.75				
Miles   Mile				
May	rield %			
May 18	an dr			
May 16   May 9   May 2   Your Ago (Approx)   154.73   155.78   156.57   157.99   158.0   157.5   163.28   154.29   170.99   4.0   157.5   163.28   154.29   170.99   4.0   157.5   163.28   154.29   170.99   4.0   157.5   163.28   154.29   170.99   4.0   157.5   163.28   154.29   170.99   4.0   157.5				
May 16	inais.			
A	asite			
P/E Ratio     12.13     12.28     12.42     13.85       g Gov Bond Yield     13.33     13.17     12.84     10.54       S.E ALL CONMODION       RISES ARIO FALLS       lay     Many     Many     1984     Many     18 May 18 May       la     17     16     High     Low     Lusuus traded     479     512     757       la     19     52     32     753       la     19     439     422     488       HTREAL       May     May     May     May       18     17     18     High     Low				
S.F. ALL COMMON   RISES AND FALLS   Sept.				
May   May   May   1984   May 21   May 18   May 1   18   17   18   May 1   May	v Band			
1   18   17   16   15gh   Low   Lo	ALL CO			
#TREAL May May 1884    May May 18   May 1884   May 1884				
MTREAL May May May 1984  21 18 17 18 High Low	-			
May May May May 1984 21 18 17 16 High Low	1			
21 18 17 16 High Low	AL			
Industrial: - 114.61 - 118.35 (651.4 (671) 114.51 (187.5 Combined - 198.25 (198.56 (189.95 (189.27 (671) 198.25 (187.5				
ONTO Consesses - 2585.7 (6/1) 2480.0 (30/1				
HENCES: CLOSHUS VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE	Cos O Con			
Herw York Active Stocks  Monday Stocks 3.80 p.m. Change Stocks 3.80 p.m. Change	Cos O Con			
Traded Price on Day Traded Price on D	Cos 10 Com NCES: (			
III	Cos 19 Com HCES: (			
Cola 873 200 56 - ha Shell Oil 765 400 58 he -	Cos 19 Con HCES: (			
er Oil 845,900 412 8 -/8 Texas Ut 760,300 23 - 813,000 1512 - IBM Corp 714,300 10994 -50	Cos 10 Con HCES: ( landay			

	May 21	May .	May 17	May :	High	1984 Low
AUSTRALIA All Ord. (1:1 80) Metal & Minis. (1/1:80)	714.7 473.1	725,5 483,4	738.3 491.8	750.5 490.1	787.9 (8/1) 567.4 (3.1)	718.3 (8.8) 489.4 (15:5)
AUSTRIA Credit Aiktlen (2/1/62)	54.85	54.78	54,82	54,88	56.21 (2 1)	53.30 (6:4)
BELGIUM Belgian SE 131/12 63)	155,03	155,32	155.37	155,25	158.25 (7:5)	155,28 -4 1:
DENMARK Copenhagen SE :5:1/85;	189,96	101	185,08	194.77	225,21 -28-1:	179.33 (28 3)
FRANCE CAC General (3)/12:82: Ind Tendance (80/12:83)	174.9 109.0	176.3 110.0		177.2 111.0	181.7 : 3:5) 1 (5.0 : 3.5)	155,6 (3:1) 99,4 (3.1)
GERMANY FAZ Aktien (81/12:58) Commerzbank (1/12:58)	847,44 1011,6	545,62 1004,8	347,49 10 12,2	348,30 1075,5	\$70.84 (2 2) 1086.5 (2 2)	1 341,1 (12/5) 998,8 (12/5)
HONG KONG Hang Seng Bank;61/7:641	893,01	855,73	933,72	949,32	1170,35 :19:3:	871.06 (3.1)
ITALY Banca Comm Ital. (1972)	205.96	206,8	209.96	209,48	229.57 (1/2)	192,06 (2.1)
JAPAN** Nikkel-Dow (165 49) Tokyo SE New (4-1.68)	10165.0 798,48	10 125,8 797,83	10340 <u>.</u> \$ 812.80	10619,8 851,18	11,190,17 (4:5) 876,62 (2:4)	9850,47 (14 2) 735,45 (4 1)
NETHERLANDS ANP-CBS General : 1970; ANP-CBS Indust (1970)	165.5 152,1	165.7 132,5		164,2 182,0	178,8 (1-2) 147,2 (1-2)	155,4 (25 2) 125,7 (24 4)
NORWAY Oslo SE (4/1.85)	294,84	289.36	ICI	283.21	296,70 (9.5)	221,67 (4 ),
SINGAPORE Straits Times : 1966;	930.48	946,8	969.32	976.19	1071,91 12)	950.43 (21%)
SOUTH AFRICA Gold (1958) Industrial (1958)	(U)	980,7 1068,0		972.6 1069,5		. 783,1 (24.1) 952,6 (25/1)
SPAIN Madrid SE (50·12/85)	16)	120,64	121,16	121.51	121,51 :16 5:	101,22 (3:1)
SWEDEN Jacobson & P. (1/1-58)	1485.91		1497,13	1468.46	1594,5 (8 2)	1,401,04 :4,1:
SWITZERLAND SwiseBank Con./31 12:56:	575,4	577.4	579.0	378,0	388.7 - 8.1,	360,0 / 12.31
WORLD Capital Inti, (1 1,78.		179.6	181,8	183.7	190,6 -3 5-	, 178,2 /13 2/
** Saturday & Base values of all it 500, NYSE All Commor and Metals—1,000. Tor f Excluding bonds. \$ 4 Financials and 20 Trans	ndices in 1—50; anto in 00 ind	are 100 Standa Idices Iustriali	excep rd and based s, § 40	Poors 1975 ( O indu	i—10: and 10 and Montreal strials plus	ery and Metals- ronto Composit Portione 4/1/8

### LONDON Chief price changes

(in pence unless otherwise indicated) RISES Brooke Tool ...... Channel Tnl Inv. 102 + 8 645 + 47Delyn Pack. ...... Hadland ...... H. Cnties. News . Leech (Wm) ...... Ldn. & Mchster . Newmark (L) ..... Pratt (F.) ..... Preedy (Alfred) .. Reliant Motor ..... UKO Int7\_\_\_\_ Wood (Arthur) \_\_\_ 268 + 8 715 +85 Bryson O & G .... £46": +£2% FALLS 108 - 4 255 - 30 66 - 24 Barratt Dev ......

### 

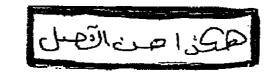
# "What's special about these Danish companies?"

Aktivbanken, American Express Bank A/S, Andelsbanken, Andelssmer a. m.b.a., Bank of America, Baltica-Nordisk RE, Benzon & Benzon, Burmeister & Wain Skibsværft A/S, Burmeister & Wain Scandinavian Contractor A/S, Bersinformation ApS, Carlsberg Breweries, Cerekem A/S, C&G Banken A/S, The Chase Manhattan Bank N.A., Copenhagen, A/S Cheminova, Christian Rovsing International A/S, Christiani & Nielsen A/S, Citibank, N.A., Codan Foreikring, Control Data A/S, Danish Steel Works Ltd., Danmarks Sparekasseforening, Dansk Olio & Naturgas A/S, Den Danske Bank, Den Danske Provinsbank A/S, DFOS A/S, De Forenede Bryggerier A/S, Finansieringsinstituthet for Industri og Håndværk, A/S N. Foss Electric, Faxe Kalk, Grosserer Societetet, Gutenberghus, Handelsbanken, A/S Helleseas, J. C. Hempel's Skibslavve-Fabrik A/S, H. Hoffmann & Sønner A/S, Jyske Bank, Kemp & Lauritzen A/S, Kongskilde Koncenselskab A/S, The Bank of Copenhagen, Københavns Fondsbers/Copenhagen Stock Exchange, Larsen & Nielsen Constructor Holding A/S, LK-NES A/S. Magasin Du Nord, McKinsey & Co., Inc., Monberg & Thorsen A/S, Nea-Lindberg A/S, Northern Feather International Ltd., Olivetti A/S, Pedershaab Maskintabrik A/S, Rank Xerox A/S, A/S Thomas Ths. Sabroe & Co., Sadolin & Holmblat A/S, Simonsen & Weels Eftf. A/S, Sparekassen SDS, Stomo A/S, Superios a/s, Topsikring, Toyota Danmark, Tuborg Breweries.

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For further information about subscription rates in Scandinavia, please contact Mr. Ejvind Pedersen in Copenhagen:

01-13 44 41



# Markets stage modest rally but investment confidence

Account Dealing Dates
Option

\*First Declara- Last Account Dealings tions Dealings Day Apr 38 May 10 May 11 May 21 May 14 May 31 June 1 June 11 June 4 June 13 June 11 June 4 June 14 June 15 June 25 Broker's circular and finished 5 to the good at 480p. Reflecting carlier.

place from 8.30 am two business days sarier.

The financial difficulties of Continental Illinois, which halted the recovery movement in both UK leading shares and Government securities last Friday, remained a drag on London stock market, sentiment yesterday.

Hopes that the problems of the good at 480p. Reflecting revived speculative support in a thin market, United Leasing jumped 17 to 297p among Hire Purchases.

Stat-Plus, a supplier of stationery to the legal profession, made a quiet debut in the Unlisted Securities Market; placed at 110p. the shares opened at mained a drag on London stock market sentiment yesterday.

Hopes that the problems of Continental Illinois may be contained gave a minor fillip to confidence, but the majority of potential investors, mindful of the Gulf war situation and the current uncertainty about the future trend of American interest rates, were content to sit on the sidelines.

Nevertheless, the underlying made a quiet debut in the Unlisted Securities Market; placed at 110p, the shares opened at 122p and drifted back to 117p rior to closing at 118p. Last Friday's USM newcomer, Brikat, drew fresh support and gained the placing price of 140p.

Among Buildings, adverse selling of Barratt Developments which reacted to a 1984 low of

to world crude supplies, maintained a firmer trend. Take-over speculation, although not so intense as last week, again provided many of the day's features, while week-end Press mention also met with a ready response.

Cent strap

decision to place its Crouch Construction subsidiary into liquidation left Crouch Group 4 down at a 1984 low of 30p. Profit-taking clipped 5 from recently firm ward Holdings at 147p.

Interest in ICI was at a low A slightly better trend developed in Government securities, but there too, confidence appeared to be lacking. Last Friedrich in ICI was at a low early on the price held at that peared to be lacking. Last Friedrich in ICI was at a low early on the price held at that peared to be lacking. Last Friedrich in ICI was at a low early on the price held at that level for the rest of the session. peared to be lacking. Last Friday's rally in U.S. bond; and the easier trend in both American and UK short-term interest

rates prompted a modest im-provement throughout the list. Investors, however, showed caution and quotations at the longend of the market tended to drift back to settle with gains of around 1 on the day. Rises in the shorts were usually limited to 1, the £50-paid tap stock, Treasury 91 per cent Convertible 1989 closing that amount higher

U.S. banking anxisties continued to subdue the major clearers. Week-end press speculation that Lloyds could be involved in a rescue bid for the Continental Illinois Bank of Thursday of Hadiand highlighted the Electric formed 5 to 210p after a newspect of the Hadiand highlighted the Electric formed 5 to 210p after a newspect formed 5 to 210p aft

**EQUITY GROUPS** 

& SUB-SECTIONS

on the sidelines.

Nevertheless, the underlying tone of the market was reasonably steady and a block of 13.9m shares in BAT was placed at around 213p with relative ease.

The shares were those held by Eagle Star before it was taken over by BAT.

Most blue chips fluctuated within narrow limits before settless.

selling of Barratt Developments which reacted to a 1984 low of 100p before settling a next 4 low of 100p. On the other hand, newsletter comment stimulated occasional interest in Blue Circle which firmed 5 to 435. Elsewhere, William Leach, in receipt of an unwelcome offer worth 123p per share from C. H. Beazer, gained within narrow limits before settless. Most blue chips fluctuated within narrow limits before settling a shade firmer on balance. Lower opening indications from tions of a possible counter-bid wall Street failed to dampeu late sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the FT company had been awarded control of the sentiment in London and the sentiment in Lo sentiment in London and the FT company had been awarded conndustrial Ordinary share index tracts worth £15m, while Mended 1.8 up on the day at \$76.2. Carthy and Stone rose 10 to 480p in response to the good half-year results and proposed 100 per to world crude supplies, maintained a firmer trend Tabanese.

and, after shading to 590p early on the price held at that level for the rest of the session.

Laporte, the subject of a broker's recommendation last week, drew t fresh support and rose 10 to 478p. Anchor Chemical added 4 to 120p waiting news from the annual meeting.

Preedy remain volatile

ICL hardened a couple of pence to 66p in response to Press comments. JSD Computer, however, fell 6 to 28p following the poor annual rescue to 66p in response to Press comments and simple to 164p on the uninspiring preliminary results before picking up to close without alteration at 166p. Glass Glover rose 10 to 216p on late support. To wilt, falling 8 more to 245p, while renewed demand left after 243p, and AirCall gave up 10 to 420p.

Secondary issues provided the major food with the provided the major food 10 to 420p.

Secondary issues provided the major food 164p on the uninspiring preliminary results before picking up to close without alteration at 166p. Glass Glover rose 10 to 216p on late support. Secondary issues provided the near-doubled annual profits, while Benusbond hardened 3 to 20p on the preliminary profits recovery.

BP gain ground

Leading domestic oils were a firm market throughout the f

Preedy remain volatile Lack of investment incentive bid possibilities attracted buyers made for another featureless session among major Retailers, most of which settled with modest falls. Secondary counters continued to feature tobaccucies reason. Brooke Tool rose 5 to 25m in response to the betterin the shorts were usually limited to i, the £50-paid tap stock, Treasury 9½ per cent Convertible 1989 closing that amount higher at 47½.

Life Insurances rise

A lacklustre day in Insurances was considerably enlivened for Life's issues following reports of an impending broker's circular. Closing gains ranged well into double-figures with London and Manchester outstanding at 500p, up 23. Sun Life advanced 18 to 570p and Refuge put on 11 to 468p. Elsewhere, C. E. Heath added 10 afresh to 130p on further consideration of the preliminary figures.

Light Insurances rise

A lacklustre day in Insurances was considerably enlivened for Life's issues following reports of an impending broker's circular. Closing gains ranged well into double-figures with London and Manchester outstanding at 500p, up 23. Sun Life advanced 18 to 570p and Refuge put on 11 to 468p. Elsewhere, C. E. Heath added 10 afresh to 130p on further consideration of the wake of the 30p per share offer from Maxmillian Enter-live in the short of another featureless to F. Pratt which advanced to F. Prat

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Mon May 21 1984

Est. Gross Est.

# FINANCIAL TIMES STOCK INDICES

ernment Secs ... 79,73 79.60 79.95 79.97 79,69 79.63 80,54 Fixed Interest .......... 84.60 84.57 84.74 84.72 84.57 84.60, 85.00 Industrial Ord......... 876,2 874,4 884.5 879,4 878,0, 874,0 692,4 Gold Mines....... 662,4 637,8 645,4 627,5 612.2 697,6 636,5 Earnings, Yld. 7 (full) 10.37 10.40 10.29 10.35 10.33 10.37 9.08 P/E Ratio (net) (\*).... 11.63 11.60 11.72. 11.65 11.68 11.61 13.75 Total bargains (Est.) 21,560' 21,000 21,893' 23,482 24,272 25,057 17,343 Equity turnover £m. — 388.24 207.05 283.91 237.95 249.33 169.96 Equity bargains ...... — 18,277 18,503 18,294 19,008 21,054 17,049 201.2 161.1 149.8 145.1 161.4 124.1

10 am 876.0. 11 am 875.8. Noon 876.4. 1 pm 876.0. 2 pm 875.2. 3 pm 875.4. Basis 100 Govt, Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/68. SE Activity 1974. Latest Index 01-246 8025.

\*Nii = 11.09.

HIG	HS AND	LOWS	S.E.	ACTIVITY
i	7004	ei Connelle	.,_l	

_			Since Co	mpliat'n	:	May 18	May 17
_	High	Low	High	, Low	-Dally ;		<del></del>
vt. Secs.	81.77 (8/1)	79,60 (18/5)	127,4 (9/1/55)	49.18	Gift Edged Bargains Equities	142,6	139,0
xed int.	87.48 (14/5)		156.4 (26/11/47)	50-03 131/1/75	Bargains; Value:	118.4 665.4	
d, Ord	923,8 (8/5)		(2/5,84)	(26/6/40)	5-day Average Gilt Edged , Bargains	151,5	165.0
dd Mines	711.7 (9/8)	520,2 (17/1)	734.7 (15/2/88)	43,5  (26/10/71, !	Equities		127,2

minated.

results, while buying in front of today's preliminary figures lifted Stakis 7 to 121p. De Vere slipped 5 to 300p; bid discussions with various parties have been ter-

Boots provided an isolated firm feature among the Miscellaneous Industrial leaders,

rising 5 to 177p, after 181p, in response to the announcement

response to the announcement that its Ibuprofen drug had been given clearance for over-the-counter sales in the U.S. Glaxo touched \$43p before finishing 5 dearer on balance at \$35p but American influences prompted a fall of 4 to 296p in Bowater. Elsewhere, Extel jumped 47 to 645p amid rumours that a large line of shares had

Secondary issues provided the noteworthy movements in Hotels. major focal points in Engineer-ings. Press comment highlighting in response to the good annual

Continental Illinois Bank of Hadiand highlighted the Electronic Sector, soaring 68 to 180p of the shares a few core easier at 560p, while Natwest lacked support at 642p, down 6. Barclays, on the other lative spurt of a 20 to 205p and an annual results, while Kowntee Mackintosh gained 6 to 274p as trical sector, soaring 68 to 180p bid hopes revived. Comment on news of a bid approach. Louis the group's U.S. gas interests Newmark revived with a specular special 
Wed May 16

Tues May 15

Fri May 18

Thers May 17

support and dropped 10 to 194p.

Reliant Motor, dealt in the Unlisted Securities Market, advanced 6 to 44p following country support. Distributors featured fresh speculative buying of Caffyns, 8 dearer at 130p.

Proceedings in Publishers centred on Home Counties Newspapers which attracted a lively business in the wake of a newsletter "buy" recommendation and advanced to 133p before settling a net 10 dearer at 125p. Elsewhere, Press comment lifted Watmoughs 12 to 230p, and Fitch 8 to 303p, while Delyn attracted late support in front of tomorrow's preliminary results to finish 8 to the good at 102p

Leading Properties traded quiefly and closed with property and clo

the good at 102p
Leading Properties traded quietly and closed with small irregular movements, but secondary issues displayed a weak feature in Espley Trust which plummeted 24 to 66p following the poor 15-month figures and final dividend omission sion.
Slightly easier conditions prevailed among Tobaccos. Bats closed 5 cheaper at 215p as 13 9m shares. representing

13.9m shares, representing Ragle Star's bolding in the company, were placed through the market at around 213p per

Among Financials, Yule Catte, currently involved in a bid battle for control of paintmakers Donald Macpherson, improved 6 to 221p on news of the proposed sale of its 20 per cent stake in Goal Petroleum. Ivory and Sime rose 5 to 55n following

firm market throughout the day and picked up momentum in after-hours trading on continuing concern over the recent attacks on shipping in the Arabian Guif.

BP and Shell both advanced to their best levels this year, the latter closing a net 14 higher at 704p and the former 8 to the good at 540p. Britoil were a similar amount firmer at 268p, while Tricentrol edged up 6 to 226p.

Irish issues were highlighted by the continued strength of Bryson Oil, 85 bigher at a year's best of 715p, and Eglinton, which rose 20 to 245p. which rose 20 to 245p.
Elsewhere, International
Atlantic Resources jumped 10 to
100p following the first-quarter
results, while Norway's Norsk
Hydro advanced £5½ to £67 in
response to favourable Press
comment. Among "downunder" oils Weeks Australia
dronged 13 to \$25p.

### dropped 13 to 880

Golds race ahead A firm performance by the bullion price in the wake of the conflict in the Middle East gave Thursday. Following widespread weekend Press comment on the Thorn EMI merger African sectors of mining negotiations, British Aerospace markets.

on the Thorn EMI merger negotiations, British Aerospace followed last week's rise of 71 with a fresh improvement of 16 at 333p; Thorn remained unimpressed, closing a further 3 down at the year's low of 557p. Further consideration of the proposed Lazard Brothers deal the Continent produced substantial gains throughout the list and prompted a 24.6 jump to 662.4 in the Gold Mines index-extending the rise over the past five trading sessions to one of the "Chunnel" project had won bank support prompted a rise of 23 to 145p in Channel Tunnel.

A. Wood reflected revived specialtive demand with a fresh gain of 10 at 65p. Pelly Peck dropped 7 further to 282p, after 285p, following comment on the Wearwell merger terms; the latter closed unaltered at 142p, after 135p. Meanwhile, Mr Asil Nadir's other quoted concern. Cornell, fell 30 to 255p on disappointment that it did not figure in the rationalisation proposals. Granada "A" lacked

5 1.26

Jan.

**EUROPEAN OPTIONS EXCHANGE** 

43 850 99 5.30

42 20 8 2,80 5,20

F.65 F.140 F.150 F.38.20 F.48.20 F.58.20 F.58.20 F.58.20 F.170 F.180 F.190 F.170

168 | 3.10 391 | 1 130 | 1 148 | 3.30 57 | 6.50 160 | 2,80 145 | 1.10

TOTAL VOLUME IN CONTRACTS 17,014

145 1.10 52 2.30
106 25.50 6 27
212 18 59 18
854 8 275 11.50
778 2.80 524 5.90
38 0.10 50 1.20
90 0.40 50 1.20
372 0.80 54 2.40
418 2.50 195 5.50
30 7 100 10.50
456 0.90 5 3
456 0.90 5 3

A=Ask B=Bid C=Call

still lacking—index up 1.8 at 876.2

The only depressed sectors in mines were Malaysian Tims and Australians. The latter were unsettled by the latter were unsett unsettled by the weak showing on Wall Street on Friday night and were marked down at the outset. Thereafter modest selling pressure saw prices drift easier with many of the leading diversified issues closing at 1984 lows. Among this group Western Mining and Peko-Wallsend dropped 8 apiece to 225p and 300p respectively while North Broken Hill gave up 10 to 150p and MIM Holdings 6 to 196p. In Golds Central Norseman were a lone firm spot and rose 10 to 383p.

Widespread losses were the order of the day in Tins which reflected the downurn on Kuala Lampur markets. Gopeng Berhad retreated 20 to 240p and Sungel Besi 15 to 370p while the lower profits and dividend unsettled Tronoh Mines which fell 15 to 355p., after 350p. Malaysian Minten lost 4 at a

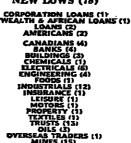
unsettled Tronch Mines which fell 15 to 3550, after 3500. Malaysian Mining lost 4 at a year's low of 620. Subdued trading in London equities was mirrored by Traded Options which attracted 2.922 contracts—well short of last week's daily average of 4.97. Grand Metropolitan calls remained in demand however with 441 struck, 202 in the October 330's. Courtaulds October 330's. Courtaulds attracted 205 calls with the majority recorded in the July 160's, while British Petroleum attracted 213 calls, 106 in the July 500's, 10 up at 45p. The FTSE 100 index contract recorded 416 calls and 158 puts.

### **NEW HIGHS AND** LOWS FOR 1984 NEW HIGHS (54)

BUILDINGS (4)
Breedon Cloud Lime Leyland Paint
Leech (Wm.)
CHEMICALS (1)
Anchor Chemical
STORES (3)
EHS & Goldstein Preedy (Alfred) ELECTRICALS (4)

Retiant Motor NewSPAPERS (2)
Home Counties Octopes Pablishing PAPER (4)
Cropper (James) Harrison Cowley Delyn Packaging Watmoughs
SOUTH AFRICANS (1) Tiper Oats Tiger Oats
TRUSTS (4)
Derby Trust Cap. Antologasta
New Darien Oil Yule Catto Bryson Oll & Gas Charterhouse Pet, Goal Petroleum

NEW LOWS (78)



**ACTIVE STOCKS** 

### RECENT ISSUES =

**EQUITIES** 

Stock   Stoc	ŀ										
100   65, 2/11   67   64   RaillieGiffordTechngy 64   8015   F.P. 15/6   f.11   f.10   804cchnology lnws 2c_10; +1s   FQ10c   0.61   \$450dy Shop 5p. 175   55   \$420   f.P.   175   150   \$480dy Shop 5p. 175   55   52   2.15/4   \$450dy Shop 5p. 175   55   50   2.15/4   \$450dy Shop 5p. 175   56   57   57   57   57   57   57		latuo	Amount Letest Ronung	1984 High Low	Stock	Closing	+ or	Net. Div.	Covered	A seld	į
		105 915 195 1140 120 120 135 135 135 135 152 152 152 152 152 152 152 152 152 15	65, 2/11 F.P. 15,6 F.P. 10,5 F.P. 10,5 F.P. 10,5 F.P. 10,5 F.P. 11,5 F.P. 11,5 F.P. 11,5 F.P. 11,5 F.P. 11,5 F.P. 11,5 F.P. 11,5 F.P. 12,5 F.P. 12,5 F.P. 25,5 F.P. 25,5 F.P. 27,4 F.P. 27,4 F.P. 27,4 F.P. 27,4 F.P. 27,4 F.P. 27,4	167 64 161 £10 175 150 175 150 175 150 175 150 175 121 147 140 48 41 48 41 48 41 1805 185 190 150 158 140 160 65 164 160 172 172 172 172 172 172 173 173 174 175 175 175 1	RailleGiffordTechngy Blotechnology Inva 20 #Body Shop 5p #Briket 5p #Briket 5p Cone. Yonture 170 Warrants Comcap 5p Cone. Yonture 170 Warrants Comcap 5p Cone. Yonture 170 Warrants Comcap 5p Eng. & Int'l Tst. Warr Fladgeling Japan 1c Do. Warrants Copys 20p #Meadow FmProditip #Meadow FmProditip #Meadow FmProditip #Meadow FmProditip #Meadow FmProditip #Panthoreila #Pian Invest. 10p Plantation & Gon Inva #Panthoreila #Pian Invest. 10p Plantation & Gon Inva #Ramco Oil Ser's 10p SPRART 50p Do. Gum Pt. Prf #Stat Plus 5p #Stat Plus 5p #Stat Plus 5p ##Stot Plus 4 5p ##Stot Plus 5p ##Sto	175 175 140 125 140 125 140 158 1158 158 165 165 165 168 118 118 118 118 118 118 118 118	+ 18 + 16 - 2 - 3 - 1 + 5 + 2 + 1 - 1 - 1 - 2 + 2 + 1 - 1 - 1	FQ10c b1.8 bg2.0 gd1.5 u3.2 u5.0 u5.4 bg.165 bg.255 bg.0.25 u1.1 4.00 u5.3 u1.1 4.00 u5.3 u1.1 4.00 u5.3 u1.1 u5.3 u1.1 u5.3 u1.1 u5.3	2.2 2.1 2.2 2.1 2.7 2.4 2.7 4.0 2.5 3.6 3.1 5.3		- 45 - 5 - 7 - 2 - 3026 - 2570 575

FIXE	D M	I EKE	ST S	1 OC1	1.5
Issue	# # # e	1984	1		Stee

DS soild		ate date	19	84	Stock	Closing price £	+0
	E E	250	High	Low		52	<b>-</b>
97,078 96,764	E.P. £25 F.P. £30 F.P. £25 F.P. £25 F.P.	8.6 1/7 10:5 26:6 15:6 25:4 15:6	106 2859 2414 9312 3059 128 10536 2714 10078 100	101 2478 254 9012 2638 110 9749 2278 9912 9912 2536	Bordar & S'thern I 11:2 Deb. Stk. 2014 Brittannia Arrow 93 Cnv. Unc. Ln. 55:200. Brixton Est. 1 1 pc 1 st Mort. Deb. 3023 EDF 111-3 Ln. 2009:12 Eng. & Intl. Tst. 10:30 Deb. 2014 Finland 11:25 Ln. 2006 Home Charm 72 Cnv. Uns. Ln. 1837;284 Int. Sk. for Rec. & Dev. 11.05 Ln. 2003 MEPC 103-pc 1 st. Mort. Deb. 2024 Nationwide 93-2 16:36:36 Do. 91:3 7:5:85 Province de Quebec 12:45 Ln. 2020 Trinidad & Tobago 12:145 Ln. 2029	105 2478 2354 9012 2676 114 98 2278 9912 9912 26	-2 -12 +36 +13

### "RIGHTS" OFFERS

issue priçe	Amount paid up	Latest Renunc. date	190	34	Stock	Olosing	+ 0
price	ξã	CIECO I	High	Low		흥효	
75 85 260 98 A87.5 70 96 10 68 205 R 27 25 52 26 38 54 A84	F.P. Niii F.P. AS4 F.P. Niii F.P. Niii F.P. Niii F.P.	B/6	110 pm 67pm 113 642 110 spm 295 £1718 50 6412 29 m 19pm 19pm 120pm	9pm 40pm 96 472 78 95 1pm 5pm 230 £151, 39 581 <sub>2</sub> 26 14pm 6pm	Aidcom Intal. 10p	106 10pm 50pm 107 480 84 96 2pm 10pm 260 £151 <sub>2</sub> 50¢ 62 28 19pm 7pm	
135 20 84 68 117	F.P. Nii Nii F.P.		165pm 3pm 55pm 90pm 25pm	158pm 1pm 38pm 87pm	Scottish TV 'A' 10p	158pm 11gpm 38pm 88pm	-75

Renunciation data usually last day for dealing free of stemp duty, b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital, g Assumed dividend and yield. a Forecast dividend cover based on provious year's samings C Canadian F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-34. O Gross, p Pence unless otherwise indicated. I Issued by tender, il Office to holders of ordinary shares as a "rights," \*\* Issued by tender, il Office to holders of ordinary shares as a "rights," \*\* Issued by way of capitalisation, significated. If Issued in connection with rangemisation merger or takeover.

Allotment letters (or fully-paid), il introduction. If Unilated Securities Market, S Plecing price. 11 Official London Listing. \*\* Officed as units, comprising Market. S Plecing price. Official London Listing. † No par value. \$ Price at suspension.

### RISES AND FALLS YESTERDAY

	Risas	Fails	Same
itish Funds	78	1	26
rpns. Dom. and		<b>.</b>	
Foreign Bonds	9	7	64
Justrials	219	278	909
ancial and Props.	66	141	316
ls	27	25	69
intations	<b>-</b> 1	-8	11
nge	64	47	62
hers	40	87	106
_			

**OPTIONS** First Last Last For Deal- Deal- Deal- Declara- Sett ings ings tion men May 21 June 8 Aug 30 Sept June 11 June 22 Sept 13 Sept June 25 July 6 Sept 27 Oct For rate indications see end

Berkeley and Hay Hill, Barratt Developments, Sterling Guaran-tee Trust, Premier Oil. British Aerospace, Camford Engineer-ing, Midland Bank, FKI Electri-cals and Salincourt. Puts ware ing, Midiand Bank, FKI Electricals and Sellucourt. Puts and Alfred Preedy, while doubles were transacted in Chamberlain Phipps and Lyle Shipping.

Duple, Tootal, Commercial

Union, Barker and Dobson, Len-

nons, Ramar Textiles, Smith St Aubyn, Lasmo, Asia Oil, GEC,

### **LONDON TRADED OPTIONS** July Oct. Jan. July Oct. Jan. Option

		1	1			<u> </u>		ł		l		1			· -
Option	n	July	Oct.	Jan.	July	Oct.	Jan.	Optio	n	Aug.	Nov.	Feb.	Aug.	Nov.	Feb.
B.P. (*538)	890 420 460 500 550	155 125 95 45 18	135 95 57 30	100 67 40	3 4 6 8 25	4 8 15 30	10 20 42	LASMO (*328)	260 280 300 330 360	80 62 42 25 16	73 57 45 25	 72 50	4 8 12 18 40	10 18 25 48	23 35
Cons. Gold (*562)	460 600 550 600 650	112 75 42 23 6	87 50 30 17	97 65 43 25	11 <sub>2</sub> 4 20 57 97	11 30 60 102	15 37 67 105	Lonrho (*136)	110 120 130 140 160	30 21 15 7	18 11 51 <sub>2</sub>	21 14 71;	1 11 <sub>2</sub> 31 <sub>2</sub> 8 26	- 5 11 28	- 7 13 39
Courtaulds (*144)	110 120 150 140 160	36 27 19 13	22 16	18	1 1½ 3 5 17	 3 8 18	9 19	P. & O. (*509)	260 280 300 330	55 38 23 12	62 45 32 17	41 23	2 4 9 24	28 16 29	19 52
Com. Union (*214)	140 160 180 200	79 59 39 20	61 41 24	31	11 <sub>2</sub> 2 4 5	- 5 5	=   =   16	(*234)	200 220 240	41 26 16	50 35 24	42 28	2 7 16	3 10 21	15 26
	220 240	12 5	15	22	10 27	21 57	26	(*622)	600 650 700	47 22 7	64 37 18	74 43	14 40 82	23 50 87	28 57
G.E.C. (*174)	160 180 200 220	24 11 5 2	33 20 12 7	38 26 16 —	2 11 25 46	14 30 48	17 80 —	Vaal Reefs (*\$126)	100 110 120 130	29 21 14 8	251 <sub>2</sub> 18 12	28 20 141 <sub>2</sub>	2 31 <sub>2</sub> 51 <sub>2</sub> 101 <sub>0</sub>	434 7 1312	512 812 1412
Grand Met. (*326)	250 275 300 330 360	62 57 32 14	62 38 23	- 30 16	1 3 14 40	11 <sub>2</sub> 4 22 44	26 50	140		ı——İ	GI4	<u> </u>	<u></u>	1912 PUTS	_
1.G.i. (*590)	550 600 650	58 22 6	68 30	74 40 20	5 22 60	11 34 66	18 40 70	Option Beecham	280	June 45	Sep. 50	Dec.	June 112	Sep.	Dec.
Land Sec. (*273)	214 235	61 39	<u> </u>	=	1	=	=	(*520) 	300 330 360	27 7 112	35 17 7	42 23 13	4 17 45	6 21 47	9 24 50
	240 257 260 280 300	35 19 17 8 8	42 27 16 7	54 23 12	2 3 6 15 35	3 8 18 36	 10 21 38	Bass (*370)	300 330 360 390	77 47 21 7	82 82 29 11	59 37 17	10 27 27	2 4 14 32	7 20 39
Marks & Sp. (*255)	200 280 240 260	59 41 23	44 27 15	- 31 19	1 2 5 12 29	3 6 15	10 19	(*8740)	750 800 850 900	43 18 10 3	68 45 25 12		30 70 110 160	53 80 120 170	65 90 125
Shell Trans. (*698)	550 600	205 155 105	110	=	1½ 2 4	_ 	=	Guest Keen (*169)	160 180 200 220	52 13 5 2	36 21 121 <sub>2</sub> 7	27 19 13	1 3 14 33	112 7 18 36	9 20 39
	650 700	60 27	75 42	78 43	12 30	22 40	87 47	Hanson (*230)	187 200	55 48 57 20	57 51 45	60 45	1 3	3 6	7
	CALLS PUTS					220 240	9	26 15	31 20	17	21	13 24			
Option		Aug.	Nov.	Feb.	Aug.	Nov.	Feb.	Tesco (*185)	160 180	29 13	32 17	21	112	- š 8	11
Barclaya (*482)	460 500 550 600	37 16 7	55 32 14	65 42 —	12 52 72 125	20 42 77	25 47	FT-SE Index	200 1075 1100	36 19	55 43	22 80 65	26 39	19 45 57	92 57 75
Importal Cal	130	27	<del></del>	<del> '</del>	1 1		<del>  _</del>	''	1125	9	32	50	57	77	95
Imperial Gp. (*148)	140	18	21	25 12	13	16	7 18	May 21 To		i i	19 2,922	. Calls	75 ! 2,185		112 737

Underlying accurity price.

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12.00 11.88 11.82

12.02 11.88 11.81

10.11

12.18

F¥	gures in parenthe			of		,   E	ATTIMES Table 0:	Div.	P/E Racio	Index	Index	ladex	Index	ladez
	stocks pe	r section		Ind No		-	rekt % Max.)	Yield %	(Net)	No.	No.	No.	Mo.	No.
				"		, I		30%	1		, <del></del>			
					<del>-   -</del>	-								443.50
2 ]	CAPITAL COCO			( <u>511</u>			9.33	3.67 4.53	13.59 10.75	510.22 502.88	514.59 506.18			461.53 422.65
2	<b>Building Materia</b>	ls (24)		502			13.57 13.54	523	9.40	723.92				742.81
3	Contracting, Cont	struction	(32)	720 3843			8.15	4.44	15.50		1673.19		1668.98	
- 4	Electricals (14)						8.20	2.19	15.79		1741.10		1730.59	0.0
5	Electronics (28)	HAIRKE W. 75					0.99	477	11.27	250.30	252.76		250.12	211.58
6	Mechanical Engli	neering v	32)				11.15	6.61	11.43	190.93	195.06		193.15	178.45
9 (	Metals and Metal			139			5.70	431		139.83	141.19			104.44
-9	Motors (17)						643	3.49	19.49	690.28	697.08		693.95	452.11
30	Other Industrial I	ALLE FIRS	u//	_ 1			0.19	4.10	12.03	521.69	526.78		522.30	415.94
길	Brewers and Dist						1.73	4.63	10.54	525.18	535.10	536.07	539.39	451.23
25	Food Manufactur	ستا دعدس نحب (199	/ 1200-T				3.95	5.42	8.77	393.50	397.65	394.01	393.04	318.68
26	Food Retailing ()	2)		1203			7.02	2.45	18.33	1191.61	1195.31		1185.84	856.67
27	Health and House	hold Pro	ducts (9)				6.09	2.94	19.45	796.85	806.37		800.06	882.48
29	Leisure (23)	11000 1 · ·		653	88 -B.	5	9.01	4.37	14.31	67.18	663.09		658.37	528.05
32	Newspapers, Pub	lishing (I	(2	1369			7.26	3.94	16.86			1356.09		800.66
33	Packaging and Pa	per (15)		259.			9.92	4.06	11.95	260.88	265.83			153.83
34	Stores (46)	- -	,		27  0.		8.35	3.60	15.80	476.47	478.62			364.59
35	Textiles (20)			296.			0.66	413	10.84	294.84	297.37	294.27	295.12 616.06	196.83 423.94
36	Tobaccos (3)			599			8.47	6.02 4.19	6.11	611.36 481.59	617.74 479.77	628.68 473.24		377.90
39	Other Consumer (	8)		∫ 485.		- 1 -	1.13	426	12.87	457.91	462.80	458.72		342.15
40.	OTHER GROUPS	SP(87)		457.			9.58 2.16	4.85	10.19	608.06	612.45	614.54	610.26	473.53
42	Chemicals (18)	4.00		607.   128.			7.44	5.61	17.73	128.48	130.86		130.37	96.50
44	Office Equipment	(4)					8.70	4.87	15.25	889.32	903.46	902.42	898.27	723.79
45	Shipping and Tra	ISPORT LE	*/	_   ===			7.93	3.56	15.12	635,91	643.31	638.38	621.60	450.02
46	Miscellaneous (5.						9.82	3.99	12.62	513.71	_	515.58	513.54	422.84
49	MOUSTRIAL GI						2.18	5.63	10.16		1177.99		1108.38	856.06
<u>51 (</u>	OH5 (16)	·····		1199				4.28	12.18	569.64			563.38	458.99
59	500 SHARE IND	EX+	Mar Maria	571		<u>3   1</u>	0.24		12.10	375.50			375.05	312.06
61	FINANCIAL ER	)UP (12	·)	375.				5.65 7.57	4.82	374.59	378.10 376.53	383.37	380.99	348.58
62	Sapics (6)			374		- ı <b>-</b>	4.42	6.50	1.02	467.82	467.65			288.50
63 [	Discount Houses ( Insurance (Life) ( Insurance (Comp	7)		466			_	5.62	I =	469.64	474.34	472.80	468.58	390.60
65	Insurance (Life) (			473. 274			_	6.40	I'	274.77	276.07	275.75	269.20	207.40
66	Insurance (Comp	osite) (9)		738		<b>;</b>	9.67	4.56	14.37	737,14			729,44	553.27
67	Insurance (Broke	M (O)					_	4.29		237.20	232.99	232.09	231.25	161.47
68	Merchant Banks ( Property (53)	نعدا		560			5.47	3.68	24.54	561.08	566.37	563.72	562.17	462.22
69	Other Financial C	191	*************	_ 245			1.59	5.60	10.41	246.61	248.66	248.59	245.46	240.64
20	UNDER LIBERTION !	7104		493.			_	3.67	_	495.41		501.23	500.36	408.50
71	Investment Trusts	i (TAO)					9.54	4.98	12.59	298.88	303,70	297.78	294.48	286.24
87	Musing Fishece (* Overseas Traders	1743 1743		562		- 1	8.16	6.59	16.17	562.9Z	563.01	555,15	550.28	434.61
91						<del>-   -</del>		4.50		519.79	523.81	519.92	515.37	422.62
99	ALL-SHARE IN	IFX (140	) <del>4</del> p.m		<del></del>	_		D's						7
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1	PRICE	Mos	Dep's	Fri	154 34英	쿄		1 Low		years		10.91	10.93	9.60
	HUDICES	May	charge	May	today	198		2 Compo	es 1	years		10.75	10.77	10.36
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- 41	Politich Covernment		1	L <b>_</b>	i		_ [	5 Coupt	ns 15	years		11.17	11.20	21.14
- 1 l	5 years	115.70	+677	115.57	-	4.9	- Į	6		years		10.48	10.51	10.52
	5—15 years	127.44	40.75	127.27		4.5	2	7 High	9			11.76	11.78	11.49
213						4.5	9	8 Course	_=	years		1L34 \	11.36	11.32
3	Over 15 years	135.TZ	+6.29	135.65		٠		9		years		10.57	10.60	10.68

2.84 14 Prefere PFIAN yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituent unix cames, vigines and communications, Camon Street, London, EC4P 4BY, price 15p, by post 28p

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12 Loans

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# FT LONDON SHARE INFORMATION SERVICE

PRICANS

BEERS, WINES—Con.

DRAPERY & STORES—Cont.

PRICANS

BEERS, WINES—Cont.

DRAPERY & STORES—Cont.

DRAPERY & STORES—Cont **AMERICANS** BEERS, WINES-Cont. ENGINEERING—Continued DRAPERY & STORES—Cont. Plumbing and Heating suppliers in the U.K. and U.S. Agricultural Machinery, Engineering, Plastics. 344 203/Abbott Labs || 344 233/Abroa \$1 |
344 233/Abroa \$1 |
345 25 || Amar \$1 || Amar \$1 |
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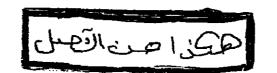
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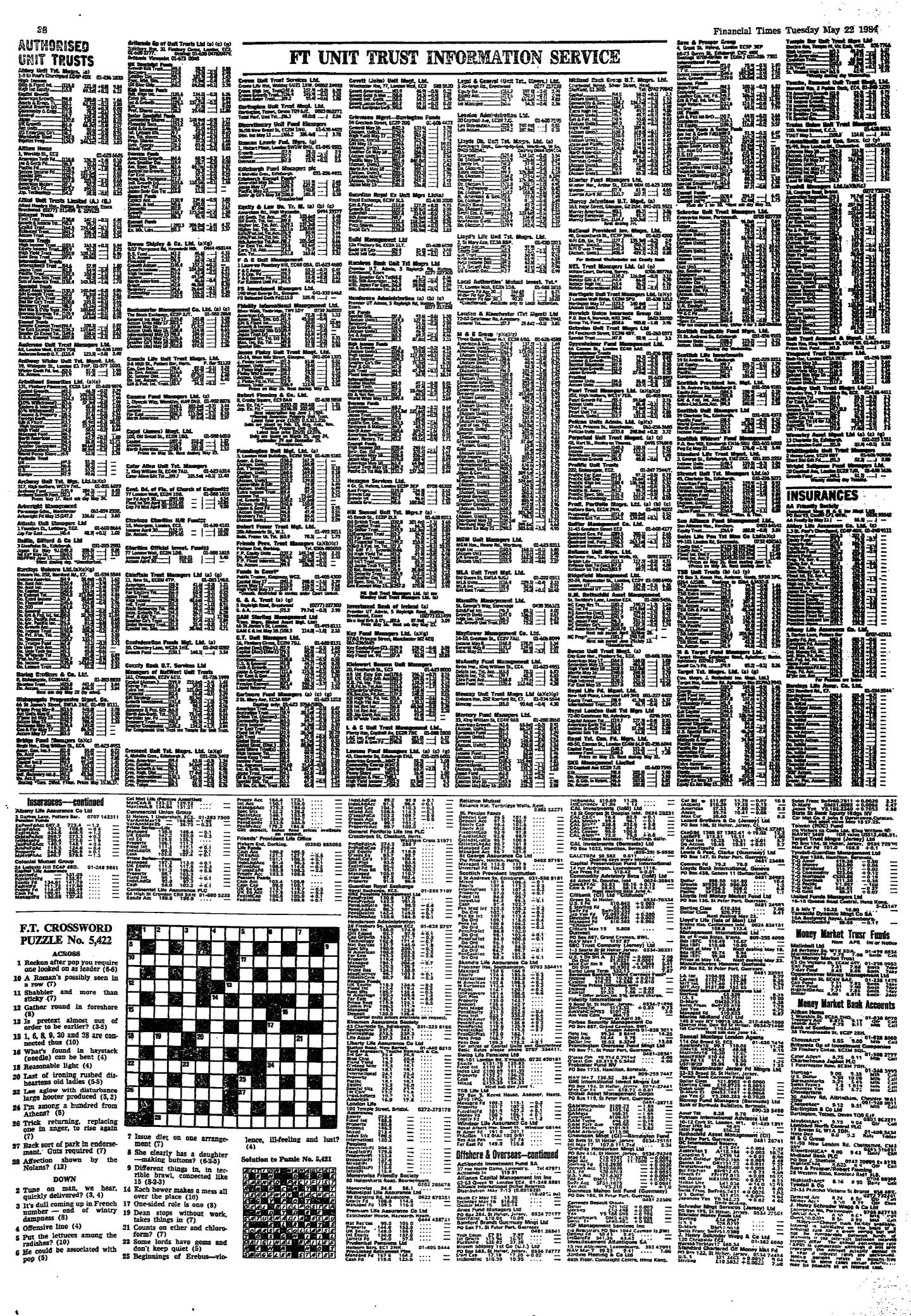
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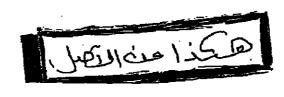
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	Financial Times Tuesday May 22 1984			<b>39</b>
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# Commodity prices rise strongly

BY RICHARD MOONEY

On the coffee futures market, the July position ended £33.50 up at £2,507.50 a tonne; July

problems with the 1984-85 Brazilian crop and continuing concern about the availability of adequate quality supplies for delivery against nearby position July coffee climbed to a 62-year high of £2,595 a tonne at one stage.

Price rises so far this season risk period. have triggered the release of an extra 3m bags (60 kilos each) of coffee export quotas under the terms of the International Coffee Agreement, taking the total for the 1983-84 season to £2,074.50 a tonne. the London daily raw sugar 59.2m bags. If prices remain at last week's forecast by price was fixed £3 up at £110 a present levels a further 1m London merchants Gill and tonne.

markets moved up strongly serious doubts about the ability season continued to affect of sterling against the dollar.

On the coffee for

Yesterday's advance was encocoa closed £61.50 up at £2,074.50 a tonne; and October suger rose \$6.60 to \$172.70 a tonne.

Boosted by reports of quality

Testerday's advance was encuraged by forecasts that the 1983-84 Ivory Coast crop will not be much more than 80,000 tonnes, compared with earlier estimates of up to 220,000 Reports of cold weather near

Brazil also encouraged the rise. though some traders thought it was too early to be talking of frost in the coffee growing regions. Traditionally July to early August is the prime frost-

missible limit rises in nearby sugar purchases were quoted as positions during the morning session, and the July quotation ended the day £61.50 up at \$172.70 a tonne. In the morning the position \$6.60 up at \$172.70 a tonne. In the morning the position \$6.60 up at \$172.70 a tonne.

of the market to deliver more market sentiment, dealers said, than 57m bags of acceptable and the advance was further quality coffee during the curand the advance was further encouraged by reports that heavy rains in Brazil had set back development of the 1984-85

main crop.

Another factor influencing the rise was talk circulating in London that Nigeria was short of current crop supplies and would be unable to meet nearby delivery commitments. Nigeria's 1983-84 crop is reported to be the lowest for many years at about 115,000 tonnes.

Light speculative buying boosted values on the London sugar futures market, which has been extremely weak of late. The firmness of precious metals Cocoa prices registered per- and reports of Syrian white

### London tea prices fall on lack of demand

TEA PRICES lost ground at the London weekly auctions yester-day as a result of reduced buying interest. Indicative average quotations put quality tea prices 8p lower at 292p a kilo; medium grade down 6p to 260p; and low medium 7p down at 228p.

The market is in a seasonably quiet state awaiting the arrival of the first new crop of Indian tea offerings, which normally do not reach the auctions in any sizeable amount until Septem-

India's recent decision to life the ban on exports of CTC (crush, tear and curl) teas imposed last December should improve supplies available, but at present world production remains lower than consumption putting a firm undertone in the • LONDON POTATO futures

reached a new peak yesterday when the May position jumped tinuing shortage of immediately available supplies. New crop positions, starting with the November quotation, all lost ground following the rain over the weekend which improved

crop prospects. on the palm oil futures market since March 12.

 AUSTRALIAN growers may plant up to 12.8m hectares of wheat in the 1984-85 (October/September) season, about 150,000 hectares more than last year's recod, the Australian Wheat Board said.

# Cuban co-operatives have bad year

A CUBAN EXPERIMENT to buffer between state and private attract private farmers.
farming, has had less than This increasingly small group farming, has had less than expected results.

A recent meeting of the island's National Association of Private Farmers (NAPF) was told that most of the 1,450 agricultural co-operatives lost money last year, and only 35 per cent had a profitable year. The co-operatives' problems have been identified as low yields caused by poor land use, problems which the Cuban Government had attempted to solve by a range of facilities and incentives.

The importance of the co-operatives to Cuban agriculture suggests that the Government will seek to provide state support to make them work. This support will follow a programme of incentives effected last summer, when the co-operative movement was granted social security and pension benefits.

Before this they enjoyed low

of farm machinery, shared marketing facilities, and centralised educational, medical and

has been progressively neglecting the land for jobs in other sectors where social security benefits can be obtained, and their contributions are lost to agriculture.

Private farmers and the co-operatives share about one-fifth of Cuba's arable land. The co-operatives work about 40 per cent of this, about 700,000 nectares. The number of private farm-

ing enterprises has been falling steadily in the past decade, and has dropped by about one half to just under 100,000 families. The co-operatives have been growing, and contain about 65,000 families.

Part of the effort to lure private farmers into the co-operatives is aimed at solving the problems which affected the movement last year. Private farmers have proved to be more efficient than the co-operatives, interest credit, 6 per cent from and by getting them into the the Government, common pools movement, the hope is that co-operative efficiency will

In an economy which is over whelmingly state controlled, methods of distributing farm men.

encourage the development of is likely to set back one of the agricultural co-operatives as a movement's main aims—to ing increasingly important.

and electricity. ing increasingly important.
The co-operatives grow sugar

> Private farmers and operatives account for about 20 per cent of the cane sent to the island's mills, and produce about 60 per cent of Cuba's orchard fruits, except citrus. The movement thrives in the

centre of Cuba's tobacco industry. Co-operatives account for an average of 35,000 tonnes of Cuba's annual tobacco crop of 45,000 tonnes. According to the NAPF, however, losses in Pinar del Rio, where co-operatives work just

province of Pinar del Rio, the

under 100,000 hectares of tobacco land, reached the equivalent of \$2m (£1.4m) last The problem of inefficiency

showed itself in national figures, which revealed that the co-operative movement registered a return of \$1 on every two-and-a-half invested. The Cuban Government is likely to seriously consider ers to the co-operatives, which suggestions from co-operative have structured market arrangements and the sources of supply for the middle-

Last year's poor performance the contributions of the non- machinery, as well as improve

The co-operatives grow sugar cane, coffee, tobacco, cocos, vegetables and livestock.

While the co-operatives in While the Co-operatives in While the Co-ope

to thrive last year. The Havana co-operatives thich concentrate on vege-

tables, plan to produce 20,000 tonnes this year. From investment totalling \$4.5m last year, the Havana co-operatives grossed \$6m.

Steady development of co-operatives will also help the Government doal with middlemen who have exploited the "free markets" which have been allowed for surplus production

Private farmers who meet their annual supply quotas to the state are allowed to sell surplus to the free markets.
Middlemen, viewed in socialist Cuba as economic aberra-

tions, or worse, have been buy-ing the surplus off the farmers and setting their own prices in the "free markets."

Attracting more private farm-

# Falling stocks boost metal prices to £315 at one stage before ending the day at £308 a tonne, still £8.75 up on Friday's close. The rise reflected the con-

trend in gold, boosted London base metal prices yesterday. Copper stocks in London Metal Exchange warehouses fell for the 16th week in succession reducing total holdings by 11,025 to 241,425 tonnes, the lowest level since December 1982. Stocks are now nearly 200,000 tonnes below the five-year peak reached in January this year. Higher grade cash copper closed £13.25 up at £1,018.75 a tonne, although some traders claimed that the decline in

The fall of 6,325 to 148,725 tonnes in aluminium stocks, the

PRICE CHANGES =

national Primary Aluminium expire next week.

Institute estimated that the Cash lead closed daily average production of primary aluminium in the non-Communist world during April rose to 34,200 tonnes in April

Lead stocks were down again by 2,400 to 90,725 tonnes, the lowest level since June 1982 stocks was below market fore-casts of a bigger fall of between 15,000-20,000 tonnes. The decline in stocks wa and nearly 130,000 below the The decline in stocks was below general expectations, the

£349.50 a tonne moving to a premium over the three months quotation, which gained £12 to Cash lead closed £16.50 up at

Tin stocks also fell by 285

to 27.630 tonnes; zinc by 100 to 43,975; nickel by 774 to 28,620; and LME silver holdings by 1,796,000 to 48,040,000 ounces. ● MANILA, Philippines Assoninth successive weekly decline, of a further supply disruption at its Leyte province copper was also considered to be by Amax lead workers, who smelter, Reuter reported.

### Threat of North Sea herring war nearer conserve stocks of young fish. EEC THE SCENE has been set for herring fishing in its waters.

the outbreak of hostilities in the North Sea's first-ever herring confrontation over the jointly war following the breakdown of held herring stocks is not 15,000 tonne interim quota,

British. Dutch and Danish Furthermore, it adds, the re-fishermen claim that Norway's port failed to take account of war following the breakdown of negotiations herween Norway and the EEC & Oslo.

Unless last minute compromises are made, Community fisheries ministers look certain on Thursday to announce unilaterally quotas for EEC fishermen, ignoring the Norwegians altogether.

Such a move is certain to species at the end of action could spread to other species. This would unravel a back. In support they point to back in support they point to damaged stock recovery and undermined the true scale of the EEC share.

The dispute centres on EEC attempts to cut back on the altogether.

Such a move is certain to be allocated to Norway, and spaced in the total catch.

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Such a move is certain to be allocated to Norway, and spaced in the true scale of the total catch.

Such a move is certain to be allocated to Norway, and spaced in the true scale of the total catch.

Such a move is certain to be allocated to Norway, and spaced in difficult negotiations over the last decade.

The dispute centres on EEC attention of the total catch.

Such a move is certain to be allocated to Norway, and severally the point to be allocated to Norway.

Such a move is certain to the provided the provided the provided the provided the provided than 170,000 tonnes of the ture fish last year that both and the provided the true scale of the EEC share.

The dispute centres on EEC at the control of the true fish last year that both and the provided the true fish last year that both and the provided the true fish last year that both and provided the provided the provided the provided the provided the provided the provided the provided the provided the provided th Community catches of more

MANILA, Philippines Assortiated Smelting and Refining Corporation said a spill of molten blister on May 13 has forced it to suspend operations at its Leyte province copper smelter, Reuter reported.

| Corporation said a spill of the Australian Wool Production Such a move is certain to suspend operations at its Leyte province copper smelter, Reuter reported.

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| Corporation said a spill of the Norwegians altogether.
| Corporation said a spill of the Australian Wool Production of Such as the control of Such a move is certain to be allocated to Norway, and key factors such as the economic viability of its herring fishing to be allocated to Norway, and the predicted wool production of the Norway and to be allocated to Norway, and the predicted wool production of the Norway and the predicted wool production of the Norway and the predicted wool production of the Norway and the predicted wool production of the Norway and the predicted wool production of the Norway and the predicted wool production of the Norway a

### FALLING STOCKS, and a firmer slightly disappointing, but cash were voting yesterday on trend in gold, boosted London aluminium gained £8.50 to whether to strike if talks fail base metal prices yesterday. ing labour contracts due to Latest figures from the Inter-

compared with 33,900 in March and 28,100 in April last year.

### BRITISH COMMODITY PRICES

in tonnes unless stated otherwise	May 21 1984	+ <u>o</u> r	Month ago		May 21 1984	+ or	Mo
Metals Aluminium Free Mkt	£1 100 \$1300 1530	+10	£1100 \$1480/478	Oils Coconut (Phil) Groundnut	:		\$120 \$11
Copper Cash h Grade 3 mths Cash Cathode	£1035.25	+12.25	£1116.25	Linsted Crude Palm Majayan Seeds Copra Phil	'\$980v 	+10	S74
3 mths	£1032 8579.75 £343.5	+ 13,5 + 3,25 + 16,5	£1108,25 8885 £338,75	Soyabean(U.S.)	\$358 <u>z</u>	<b>,</b> ,	3321
3 mtha Nickel	2339.76	+12	£346.25 £4896	Barley Fut.Sep. Maize Wheat Fut.Jly. No 2 Hard Wint	£147,50 £125,75	-0.10 +0.5 +0.25	£14
Palladium oz Platinum oz Quick silvert	\$891.5	+6	\$150.25 \$398.25 \$818/818	Other commodities	Ī	+62	
Bilver troy oz	557,45p	+ 16,80	655,45p 669,35p	Futures Jly Coffee Ft. Jly Cotton Aindex.	£2074,5 £2507,5 89,65c	+61.5 +36.5 +0.55	£184 £207 68,4

Rubber (kilo)....(69p —2 75.5p Sugar (raw).....(2110wv +3 £113 Woott ps 64s....475p kilo........470pk

Turnover: 1\_763 (3,583) lots of 100

\$ per troy

**GAS QIL FUTURES** 

### LONDON OIL

Gas oil prices reached the highs on the opening as traders reacted nervously to weekend statements on the Gulf. The market drifted a little lower, reaching the lows on a disappointing New York opening, and attayed at the lower end of the range until the close, reports Premier Man.

### SPOT PRICES

Change Latest CRUDE OIL-FOB (& per barrel) 

### **GOLD MARKETS**

Gold rose \$31 an ounce from Friday's close in the London bullion market yesterday to finish at \$3791-380. The metal opened at \$379-3791 and traded

(\$381.03 per ounce) against DM 33,525 (\$376.02) and closed at \$3804-3803 from \$3754-3753. In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was \$380.30 from \$375.60.

### noon compared with FFr 103,700 (\$379.90) in the morning and FFr 102,500 (\$373.90) on Friday In Zurich gold finished

opened at \$379-379; and traced between a high of \$381; 383; and a low of 379-379; which was the opening level. Gold improved in line with U.S. markets on fears of an escalation in the Gulf war. In Frankfurt the 12; kilo bar was fixed at DM 33,870 per kilo

in Paris the 121 kilo bar was Turnover: 674 (379) lots of 100 troy ounces. fixed at FFr 103,700 per kilo (\$379.61 per ounce) in the after-

May 21 Gold Builion (fine ounce) (£272½,27314)) 837614,3763, (£271,27115) (£272,27218) 8376,37616 (£2701,27614) (£272,27218) 8375,60 (£270,27614) (£275,096) 8375,60 (£270,313) \$3791g -380 3679-3791<sub>2</sub> \$380,35 \$360,75 Gold and Platinum Coins May 21

(£28112-283) 'King Sov 89012-92 (£65-66) (£13514-14554) Victoria Sov 59012-92 (£65-66) (£13514-14554) Victoria Sov 59012-92 (£65-66) (£7414-7454) |French 20s 8724-7452 (£6214-5354) |50 Pesca Mox8469-471 (£3364-3354) (£3012-5014-28134) |OO Cor-Aust \$509-372 (£265-26774) (£265-26774) (£6412-65) |\$30 Eagles \$590-600 (£4234-43014 (£3812-5814) |Noble (Plat.) \$4025-40714 (£2894-298) (£65-66) (£65-66) (£62-1-53-1<sub>0</sub>) (£336-1-338-1<sub>0</sub>) (£423-1-480-1<sub>0</sub>) (£423-1-480-1<sub>0</sub>)

### **EUROPEAN MARKETS**

Sugar—(FFr per tonne): Aug 1415/
1416, Oct 1496/1488, Dec 1656/1598,
March 1735/1740, May 1795/1803, Aug
1835/1855.
Gocoa — (FFr per 100 kg): May
238/2406, July 2425/2435, Sept 2484/
2496, Dec 2305.50/1748, March 2280
ask, May 2280 ask, Jry 2285 ask,
ROTTERDAM, May 21.
Wheat—(U.S. S per tonne): U.S. two
soft red winter Aug 154.50, Sept 165 0,
Oct 163.50, Nov 163.50, Dec 163.50,
U.S. two northern spring 14 per cent
protein May 188, June 184.50, July 183,
Aug 178.50, Sept 177, Oct 178, Nov 180,
U.S. three hard ambar durum May 187,
June 184, July 183.50, Aug 182.50, Sapt
178, Oct 181, Nov 182, Canadian one I
western amber durum Nov 199.

Maize—(U.S. \$ per tonne): U.S. three yellow May 153.50, June 163, July 162.50, July/Sept 160, Oct/Dec 140 sellers. Argentine Plate affoat cil Ghent 166.50, May 166, June 164 sellers. sellers.

Soyabsans—{U.S. \$ per tonne}: U.S. two yellow Guifports June 352, July 361.50, Aug 362, Sept 328.50, Oct 293.80, Nov 283.60, Dec 295.50, Jan 299.20, Feb 303.80, Mar 306.70 sellers. Soyamsal—{U.S. \$ per tonne}: 4 per cent soat 217, May 219, June/\$ Sept 222, July/Sept 222, Nov/Mar 219 sellers. Pellers Brazil afoat 216, May 219, June 219, June 220, Oct/Dec 234 sellers. Pellers Argentine afloat 218, May 218, June 219, June/Sept 220, June/Oct 220 sellers. BASE METALS

BASE METAL PRICES were generally firmer on the London Metal Exchange. The strength of precious metals coupled with U.S. buying and a downtum in LME stocks boosted Copper to £1.034.75. Lead responded to the stocks decline and trade buying and borrowing and moved ahead to £338, after £40, while Zinc was steady around £885.5. Aluminium closed at £919.25, after £321, helped by the riss in copper and a fall in warehouse stocks.

COPPER										
COPPER	a.m. Official	(+ or -	p.m. Unofficial	+ B						
High Grde	£	£	£	£						
Jash 3 months Settlem 't Cathodes	1014		1035-,50	+11;  +1δ						
Gash 3 months Settlem't	10155 1026.5-7		1021-2.5 1031-3	+14 +18						

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,012.50, 13.00, three months £1,028.00, 27, 27.50, 28.50, 29, 29.50, 30, 30.50. Cathodes: three months £1,027, 26.50. Kerb: Higher Grade, three months £1,031, 32, 32.50, 33, 34, 35, 34. Altamoon: Higher Grade, cash £1,018, 18.50, three months £1,038, 37.50, 38, 38.50, 38, 37.50, 38, 36, 36.50, 38, 38.50. Cathodes. three months £1,032. Kerb: Higher Grade, three months £1,035, 35, 36, 36, 36, 38, 37, 38, 37.5, 37, 38, 37.5, 37, 38, 5, 36, 36.5, 36, 37, 38, 37.5, 37, 38.5, 38, 37.5, 37, 38.5, 38, 37.5, 37, 38.5, 38, 37.5, 37, 38.5, 38, 37.5, 37, 38.57, 20, 2000 tonnes. U.S. preducars: 68-72 cents per pound. Amalgamated Metal Trading reported

+0.25 252.09-59.25 +0.25 255.09 52.75 +0.25 256.09-55.50 -0.25 257.50-55.00 -259.08-57.25 +1.90 280.50-59.50 +0.25 257.00-60.75

TIN				
TĮN	a.m. Official	+ or -	p.m. Unofficial	+ o:   —t
High Grde Cash months Settlem't Standard.	9075 8985-05 9080	£ +30 +3,75 +80		-5 +10
Cash, Months Settlem't Straits E.	9075-80 8960-65 9080	+30		—15 —10

Tin-Morning: Standard, cash £3,080, 75, three months £8,970, 75, 70, 54, 55, 56, 60. Kerb: Standard, three months £8,960, 56, 50, 60. Afternoon: Standard, cash £9,075, three months £8,960, 56, 50, 60. Kerb: Standard, three months £897, 55, 60. Turnover: 3,370 tonnes. LEAD

### Spot: 25-28 cents a pound.

\$3801-3801 from \$3751-376. LONDON FUTURES Yest'days + or | Business close - Done Lead—Morning: Three months £3
36, 37, 38, 37.50, 37, 38.50. Ke
Three months £337, 37.50, 37.00. Air
nota: Three months £338, 38.50,
39.50, 40, 39.50. Kerb: Three mont
£338, 37, 38. Turnover: 24,175 tonn
U.S. Spot: 25-28 cents per pound. ZINC

ALUMINIUM

NICKEL

Zinc.—Moming: Three months (583, 85, 88. Kerb: Three months (587, 86, 85, 88. Kerb: Three months (587, 86, 84, 85, 86, 85, 86, 85, 84, 83, 50, 84, 85, 85, 85, 87, Turnovar: 15,850 tonnes. U.S. Prime Western: 52,75-53,75 cents per pound.

Alumin'm	a.m. Official	+ or	p.m Unofficia	+ 4
Spot 3 months	899.5.900	+16.6	900—1 917,5-8,5	-41
three mo Kerb: The 20. Afte 21.50, 21	nths £915 se months emoon: T , 20.50, https £917,	5, 14 £918 hree 20, 1 16 5,	Cash , 15, 16, , 19, 30, 1 months 9, 18, 1 17, 18, 15	17 9.50 £922 Kerb

3600-5 +3 3490-50 --60 5674-5 +8.5 3565-70 --57.5

Mickel-Marning: Three months £3,575, 80, 75, 71, 74, 73, 74. Kerb:

Silver was fixed 15.8p an ounce higher for spot delivery in the London buillion market yesterday at 557.45p. U.S. equivalents of the fixing levels were: spot 59.152, up 25.7c; three-month 59.415, up 27c; six-month 59.696, up 26.7c; and 12-month 510.327, up 33.4c. The metal opened at 654-657p (59.11-9.14) and closed at 658-661p (59.16-9.19).

SILVER

Buillon + or L.M.E. + or fixing price p.m. Unoffiel

72.5, 72.0, 72.5, Kerb: large 672.0, 71.5, 71.0. Attemoor: large three months 675.0, 784.0, 73.0, 73.5. Kerb: large three months 673.5, 73, 72.

### COCOA

A fully steady opening at the expected levels saw prices at £55 above the previous close and trade in a narrow range to end on a firm note. The recent consumer interest was again apparent and producer sell-ing on a scale-up basis was seen. ing on a scale-up basis was seen, reports Gill and Duffus.

E per tonne 2065-69 +64.0, 2070-58 2074-75 +61.5, 2078-50 2066-67 +55.0, 2078-50 1904-05 +37.5; 1916-02 1863-64 +38.5; 1878-58 1862-67 +39.5; 1878-65 1865-66 +35.0, 1878-88

Sales: 6,098 (5,976) lots of 10 tonnes.
ICCO Indicator prices—(U.S. cents per pound). Daily prices for May 21: 125.03 (121.59); five-day average for May 22: 121.47 (120.12).

### COFFEE

During an active opening prices traded £32-105 higher as a limit gain in New York and the recent sharp rise influenced the early strength, reports Draxel Burnham Lambert. Gains were extended slightly following a higher New York opening before commission house selling prompted a reversal towards the close which saw values falling £35-85 to settle around the daily lows.

COFFEE Yesterd'ys + or Business
Close - Done

Sales: 8.175 (8.618) lots of 5 tonnes. ICO Indicator prices (U.S. cents per pound) fob May 18: Comp. daily 1979 152.73 (150.27); 15-day average 146.44 (145.84).

yEvcipise froayM 55 cmf shi cmf sh Business done—Wheat: May 123.85-3.35, July 125.75-5.10, Sept 107.30-7.05, Nov 110.20-10.10, Jan 113.25-3.10, March 116.20-5.90. Sales: 179 lets of 100 tonnes. Barley: May 120.50-20.00, Sept 106.70-8.30, Nov 109.55-9.50, Jan 12.20 only. March 115.50-5.10. Sales: 80 lots of 100 tonnes.

Old crop what dipped 40p on lack of obvaical demand but rose po

Old crop wheat dipped 40p on lack of physical demand but rose on shipper profit-taking to close at the day's highs. Berley moved £1.00 higher on export demand in this trading. New crops met further hedge selling but found shipper buying interest in barley to strengthon later in the day, reports Muirpace.

Mnth	Close	_ or	Close	-
May July		+0.20 +0.25	120,50	+1,0
Sept	107,10 110,10	-0.60 -0.45	106,70	-0.1 -0.1
Mar	116.05	-0.30	112.75 115.50	÷0.:
northa	DON GRAI m spring l , July 141.	No 1 1	4 per cer	nt Jun
transh	pment eas ne 129.25 p	st coa	st Englis	ih fee
	No 3 yello east coast			

### Three months £3,580. Afternoon: Three months £3,575, 80, 78, 75, 70, 71, 70, 68,65. Kerb: Three months £367.65. Tumover: 8,128 tonnes. Hest unquoted. HGCA — Locational ex-farm spot prices. Feed barley: E Mids 119 00. The UK monatary coefficient for the week beginning Monday May 28 (based on HGCA calculations using four days) exchange retes) is expected to remain

**PIGMEAT** An easier tendency in the physical sector and a reaction to recent over-

bought conditions put most pressure on nearby months, reports CCST Commodities.

### POTATOES

The old crop May position continued firm while new crop was down following weekend rain and forecasts of further wet weather, reports Coley and £ рег tоппе

May .... 308.05 : 299.25 | 675.0-500.0 |
Nov.... 71.50 | 74.75 | 74.06.70.50 |
Feb ... 81.30 | 83.45 | 83.5180.80 |
April.. 93.30 | 95.70 | 95.50-92.00 |
May .... 102.80 | 105.00 | 105.0-102.0 Sales: 993 (573) lots of 40 tonnes.

### RUBBER

PHYSICALS — The London market opened easier, attracted some covering interest throughout the day and closed on an uncertain note, reports Lewis and Peat. Closing prices (buyers): spot 69.00p (71.00p): June 73.25p (75.00p); July 74.00p (76.00p): The Kuala Lumpur June fob price for RSS No 1 was 221.0 (226.5) cents a kg and for SMR 20 was 210.5 (213.0). FUTURES — Close (buyer, seller, business). RSS No. 1 2 per tonne. June 680, 710, nii; July 695, 715, nii; Auq 720, 725, nii; Sept 731, 733, 734-733; Oct 740, 743, mi; Nov 751, 753,

### 753: Dec 758, 753, ni; Jan 765, 770, ni: Feb 774, 756, 776-775; July/Sept 721, 725, 726-720; Oct/Dec 752, 753-751; Jan/March 774, 776, 775, 775, Sales: 8 (53) fots of 5 tennes, 60 lots of 15 tennes. SOYABEAN MEAL

The market opened £1.50-2.00 higher in lacklustre trade, reports T. G. Roddick. Prices were steady but there was little volume as commercial traders were wary that shippers might again sell into the market. Yestday's + or Business close — Done

June ... 152.80-55.50 + 2.40 153.50-58.80
August ... 153.58-58.60 + 2.40 153.50-50.50
October ... 158.93-58.70 + 2.25 157.00 + 8.70
Dec ... 158.93-58.86 + 1.55
Feb ... 158.90-51.90 + 0.75;
Apr ... 159.90-61.50 + 1.25
June ... 158.58.51.40 + 0.95

LIVERPOOL — Spot and shipment sales amounted to 74 tonnes. Few dealings occurred with only limited offizie. Scartered operations were directed towards Middle Eastern

### JUTE

JUTE—C and f Dunder June/July BWC/BTC \$525, BWD, BTD \$515: c and JANUSCEP BWC/BTC \$525, BWD/BTD \$516: c and f Dundee May ex-India 40 in 10 oz £19.60, 40 in 7.5 oz £15.25:

### **WOOL FUTURES**

| Silver | Buillon | or | LM.E. | or | or | or | cos | or | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos | cos |

# May 420, 437, ni; Aug 448, 451, ni; Oct 449, 452, ni; Dec 455, 456, 455; Jan 466, 457, 456; March 565, 567, 566; May 474, 476, 476-475; Aug 485, 487, 486, 485; Oct 486, 487, 487-486, Sales:

**TEA AUCTIONS** LONDON TEA AUCTION—30.531
packages were on offer, including
6,600 in the offshord section. Demand
was less general than of late. Assams
met limited support and were 4-8p
lower with many lines neglected. Apart
from selected bost liquoring types,
which held values, East Africans came
to a quiet market and prices were
generally 4-8p lower by the close.
Central Africans followed a similar
pattern with plainer sorts a rather
weak feeture. Offshore teas met less
demand and while brighter teas sold
well at firm rates others were sometimes easier, Quotations: quality 292p
a kg (300p), medium 260p a kg (266p),
low medium 228p a kg (235p).

### - INDICES -FINANCIAL TIMES May.18 May. 17,M'th ago Year ago

\$16.71 | \$16.87 | 309.25 | 276.90 (Base: July 1 1952=100) May 21 May 18 M'th ago Year ago 2003.5:1991.7 2008.7 1825.7

(Base: September 18 1931 - 100) MOODY'S May 18 May 17 M'th ago Year ago 1090.3 1078.9 1074.8 1066.1 (Base: December 31 1974=100)

DOW JONES Dow May May Month Year Jones 18 17 ago ago Spot 140.89,140.09 140.9 146.86 Fut's 142.61 140.06 143,16 150.87

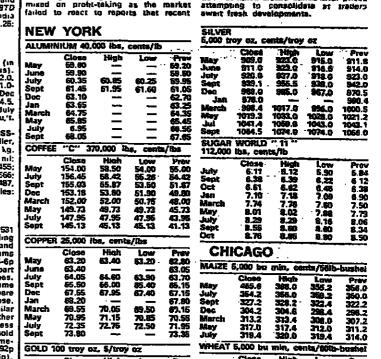
### **MEAT/FISH**

### AMERICAN MARKETS =

After early firmness on the tension in the Persian Gulf, gold and selver settled mixed as a weaker took to finencials late in the session encouraged encouraged profit-taking, reports Heineld Commodities. Copper closed higher on buying linked to the continued drawdown in exchange stocks. Sugar showed impressive gains as botter domand in cash markets encouraged buying interest. Cocos wes mixed on profit-taking as the market failed to react to reports that recent

COPPER 25,000 lbs, cents/lbs

**NEW YORK** 



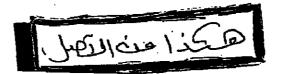
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19341, 1941

IT LONDON MERDANK

Pray 378.3 Hay 386.4 377.0 385.0 379.6 385.1 Sept 389.2 374.0 381.4 389.4 376.4 384.2 384.2 384.2 389.4 389.4 389.4 389.4 389.4 389.4 389.4 389.4 389.4 389.4 389.4 389.5 384.2 389.0 580.0 384.4 389.6 384.2 389.0 bu min, cents/60 lb bushel 479.0 5.000 bu min, cents/60 lb bushel 479.2 486.7 May 388.0 894.0 878.0 387.0 386.5 July 893.2 899.0 852.0 385.0 387.0 389.0 389.0 387.0 389.0 387.0 389.0 387.0 389.0 389.0 387.0 389.0 387.0 389.0 387.0 389.0 389.0 387.0 389.0 389.0 387.0 389.0 389.0 389.0 387.0 389.0 3 Close 888.9 893.2 878.4 802.0 747.2 756.6 767.6 775.4 779.4 Afry July Aug Sept Nov Jan May July 450.0 450.0 469.5 489.0 804.4 750.0 760.0 770.4 778.0 783.0 HEATING OIL 42,000 U.S. gailona, conts/U.S. gailons .5. gallona, conta/U.5, gallona Latast High low Prev 82.65 83.80 82.10 83.71 82.55 83.85 82.00 82.82 83.15 83.55 82.00 83.24 84.15 84.80 84.80 84.80 84.95 84.80 84.80 84.80 85.40 85.80 85.55 85.65 85.40 85.80 86.95 SOYABEAN MEAL 100 tons. \$/ton Close 198.4 204 2 206.3 197.6 187 5 788.4 189.5 793.0 194.7 Hay 198.4 199.0 196.4 197.0 196.4 197.0 196.4 197.0 196.4 197.0 196.5 197.0 196.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 201.0 201.5 201.0 201.5 201.0 201.5 201.0 201.5 201.0 201.5 198.5 19 High 199.0 204.5 206.5 189.0 186.5 188.8 191.5 193.6 10w 29.25 38.00 27.45 35.45 30.35 20.95 May July Aug Sept Oct Dec Jan March May July PLATINUM 60 troy oz. \$/tray oz AA Close 391.4 — 394.9 402.7 407.5 6 417.0 423.5

Bunched 0.10-0.12. Asparagus—Per ib
1.00-1.60. Calery—4.50-5.00. Courgetos—Isle of Wight, per ib 0.60. Watercress—20: 2-60-2-80. Ice pack
1.10. Imported produce: Saturnas—10: Imported produce: Saturnas—10: Uruguvan. 10 kg 7-50-8.00. Tangors—
16: Uruguvan. 10 kg 7-50-8.00. Tangors—
17: Uruguvan. 10 kg 7-50-8.00. Tangors—
18: Uruguvan. 10 kg 7-50-8.00. Tangors—
18: Uruguvan. 10 kg 7-50-8.00. Tangors—
19: 
حكادا حدناتهل



# CURRENCIES, MONEY and CAPITAL MARKETS

nations. Sterling rose to DM 3.8520 from DM 3.8480, boosted by oil price fears.

franc eased to DM 4.9230 per

BFr 100 from DM 4.9260 and the

where the Swiss franc slipped on position switching into D-marks

but managed to recover to be

FRENCH FRANC - Trading

Within the EMS the Belgian

FOREIGN EXCHANGES

# Interest rates depress dollar

The main influence on the foreign exchanges yesterday was speculation about a possible limit on U.S. interest rates. 84750 from FFr 8.5135; FFr Until quite recently it was assumed the upward trend in cotes might lead to a rise in the discount rate or at least a tightening of monetary policy at today's Federal Open Market STERLING — Trading range Until quite recently it was assumed the upward trend in rotes might lead to a rise in the discount rate or at least a tightening of monetary policy at today's Federal Open Market Committee meeting. Economic statistics, indicating strong growth during the early part of the year, underlined this general trend, but there was little anticipation of Fed tightening and higher interest rates in vesternigher interest rates in yester-

day's market.

A change of sentiment occurred about a week ago when it became clear that Continental Lilinois National Bank was suffering a crisis of confidence, and that borrowings by the bank from the Fed and the rescue package would tend to depress New York interest rates. This trend became further exaggerated over the weekend by the statement from Latin American leaders about the difficulties of leaders about the difficulties of debtor nations because of the high level of world interest rates.

The threat of intervention by central banks also overhangs the market, and both the German Bundesbank and Bank of Japan were sellers of dollars at various

On the other hand the conflict between Iran and Iraq created

street in 131.7 from 132.0.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3850. April average 1.4226. Trade-weighted index 80.5, compared with 80.5 at noon, 80.7 at the opening, 80.4 at Friday's close and 83.5 six months ago.

at Friday's close and 83.5 six morehs ago.
Sterling weakened with the dollar against Continental currencies, but had a firm underlying trend because of the threat to oil supplies as a result of the Gulf War. It opened at \$1.3930-1.3940 against the dollar, and finished 45 points higher on the day at \$1.3910-1.3920. But

the pound fell to DM 3.84 from DM 3.85; FFr 11.79 from FFr 11.8050; and SwFr 3.1625 from SwFr 3.1650. Japan's vulnerable position as an oil importer at the present time kept sterling farm against the yen however at Y324.50, against Y323.75.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. April average 2.6435. Trade weighted index 124.9 against 125.0 six months 850.

The Golfar was sower at yes-terday's fixing in Frankfurt at DM 2.7656 from DM 2.7730 on Friday. The Bundesbank sold \$27.2m at the fixing with no obvious signs of intervention in the oner market. There was obvious signs of intervention in the open market. There was little clear consensus as to how U.S. interest rates may perform, with fears of higher rates tem-pered by the potential damage caused to third world debtor

**EMS EUROPEAN CURRENCY UNIT RATES** 

	ECU central rates	amounts against ECU May 21	from central rate	% change adjusted for divergence	Divergence
Selgian Franc	44.9008	45.5993	+1.56	+1.49	±1.5447
Danish Krona	8.14104	8.21187	+0.87	+0.80	$\pm 1.6425$
ierman D-Mark	2.24184	2.24394	+0.09	+0.02	+1.0642
rench Franc	6.87456	6.89216	+0.26	+0.19	+1.4052
Outch Guilder	2.52596	2.52443	-0.06	-0.13	±1,4964
righ Punt	0.72569	0.730077	+0.60	+0.53	+1.6699
talian Lira	1403.49	1382.78	-1.48	-1.48	±4.1505
Change	are for E	CU, therefore	positive ch	enge denotes	8

THE POUND SPOT AND FORWARD 1.385-1.3955 1.3910-1.3920 0.25-0.29c dis 1.8000-1.8018 0.28-0.35c dis 4.31-4.35-4.350 77.50-78.50 77.50-78.50 13-20c dis p.a. months

-2.33 0.92-0.85dis
-1.17 0.99-1.07dis
-2.78 33-3 pen
-2.54 40-50 dis
-1.82 63-63 dis
-3.32 0.74-1.02dis
-3.32 0.74-1.02dis
-3.33 33-25 pm
-9.05 395-820dis
-7.11 37-91 dis
-4.61 93-93 dis
-7.11 37-91 dis
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OTHER CURRENCIES

	. !			£
May, 21	2			Note Rates
Argentina Peso Australia Dollar	67,44-57,58	41,94-41,50	Austria Belgium	27,00-27,50 78,90-79,70
Brazii Cruzeiro Figiand Marks	2.096.5-2.109.1	1,505-1,513	Denmark	14.04-14.18
Grack Drachma. Hong Kong Dollar	151 40 151 80	108,60-108,90	Germany	3,8319-3,8712
Iran Rial	. 123,20-	68,80*	Japan	323-328 4.31-4.35
Kuwajt Diner(KD Luxambourg Fr. Malaysia Dollar	77.95-78.06	65.03 56.05	Norway Portugal	10,89-11.00
New Zealand Dir. Saudi Arab. Riya	_ 2_1455-2_1615	1,5450-1.5465	Spain	207-217 11.25-11.36
Singapore Doltar Sth African Rand	2,9450-2,9490	2,1125-2,1140	Switzerland	3,16kg-3,18kg
U.A.E. Dirham	5,1150-5,1220			183-216
		S Sallian antan		

**CURRENCY MOVEMENTS** Austrian schilling Belgian franc..... Danish kroner.... Deutsche mark...

Morgan Guaranty changes: avarage 1980-1982=100. Bank of England Index (base average 1975=100),

EXCHANGE CROSS RATES

May 18	Poend Striing	U.S. Dellar	Deusche m'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dolla	Belgian Fra
Pound Starling	0.719	1,392	8,840	324,5	11,79	3,163	4.320	2564.	1.801	78,00
U.S. Dollar		1,	8,767	833,1	8,475	2,271	3,102	1699.	1,294	56,04
Deutschemark	0,260	0.362	1.	84,51	3.070	0.834	1,125	615.6	0.462	20.31
Japanese Yan 1,000	3,062	4,288	11,83	1000,	36.33	9.746	13,31	7284,	5.550	240.4
French Franc 10	0.848	1,180	. 3,257	276,2	10.	2,682	3.564	2005.	1,528	66.16
Swiss Franc	0,316	0,440	1,214	102,6	3.728	1,	1.366	747,4	0,569	24,66
Dutch Guilder	0,231	0.382	0,889	75,18	2,729	0,732	1.828	547,2	0,417	18,05
Italian Lira 1 000	0,423	0.589	1,625	137,3	4.988	1,336		1000	0,762	33,00
Canadian Dollar	0.555	0,770	2,152	180.2	6,546	1.756	2,399	1512.	2,309	43,31
5 rigian Franc 100	1.982	1.784	4,933	416.0	15,12	4.054	5.538	3030.		100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 21	Starting	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgia Conv.	n Franc Fin.	Yen	Danish Kroner
Short term	746-734 8-8-856 914-936 956-93 <sub>8</sub>	91g 95g 10-101g 10-101g 115g-115g 111g-125 125g-13	9-91 <sub>2</sub> 934-104 10-4-103 <sub>8</sub> 11-4-113 <sub>6</sub> 1178-13-4 1278-1234	534-578 534-578 578-6 612-614 639-612 534-678	34-1 78-218 516-378 513-316 416-416	514-536 512 539 512 539 513-516 612-538	1154-12 1154-12 1176-1218 1216-1216 1512-1354 1418-1456	15-16 143 <sub>4</sub> -183 <sub>4</sub> 15-151 <sub>2</sub> 151 <sub>4</sub> -16 161 <sub>8</sub> -165 <sub>8</sub> 167 <sub>8</sub> -173 <sub>8</sub>	10-1012 11-1112 1116 1158 1112-12 1173-1286 1212-13	10-101 <sub>2</sub> 113 <sub>6</sub> -115 <sub>8</sub> 111 <sub>2</sub> -113 <sub>4</sub> 113 <sub>4</sub> -12 113 <sub>4</sub> -12 117 <sub>8</sub> -181 <sub>9</sub>	516-516 516-514 616-614 616-614 616-614 616-516	67g-75g 93g-97g 93g-101 105g-111 10 <del>12</del> -11-1

Asian 3 (closing rates in Singapore): Short-term 81-94 per cent: seven days 104-105 per cent: one month 1072-1022 per cent; three months 1172-123 per cent; six months 1272-1273 per cent; one year 1272-1273 per cent. Long-term Eurodollars two years 137-1373 per cent; three years 137-1373 per cent: four years 137-1475 per cent: five years 14-1475 per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

### MONEY MARKETS =

### **London rates easier**

Interest rates had an easier tone on the London money market yesterday reflecting the improvement of the U.S. bond market three-month money fell market on Friday and suggestions that an upward limit may have been placed on U.S. interest rates by recent events. The problems of Continental rates by recent events. The problems of Continental Illinois National Bank and the South American debtor nations have quelled earlier speculation about a tightening of Federal Reserve monetary policy and rumours of a rise in the U.S. discount rate. While following the low level of Federal funds in New York on Friday, plus a

UK clearing banks' base lending rate 9.9‡ per cent (since May 10 and 11)

declino in Eurodollar interest rates. London rates also The overnight rate for Federal funds was also low yesterday, although above Friday's lowest level of 81 per cent. The Federal Reserve drained money from the banking system before the week end at 91 per cent, also entered the market to absorb surplus funds yesterday when Federal

FT LONDON

INTERBANK FIXING LONDON INTERBANK FIXING (11,00 a.m. May 21)

3 months U.S. delians Did 11 1.2 offer 11 5/6 6 months U.S. dollars Did 12 1 8

The fixing rates are the arithmetic means, rounded to the nearest one susteenth, of the bed and offered vates for Storn quoted by the merket to five reference benks at 11 s.m. each working day. The benks are listicited tylestminister Benk, Benk of Tokyo, Destructe Bank, Benque Nationals de Paris and Morgán Guaranty Truat.

**MONEY RATES** 

May 21 j	Frankfurt	Paris	Žurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
months	5,5 -5,6 5,76-5,90 5,90-6,05 5,05 6,20 5,20-6,35	12 11 12 12 15 12 12 18 12 12 18 16 12 14 12 18 12 14 12 18	12-112 5-1-3-1- 514-578	514 · 57g 67g · 6 6-61g 6-61g 6-61g	5.78125 6.15625 6.28125 —	161g-167a 161g-167a 165g-17	1119-1134	1136-1156 1154-12 1216-1236 1814-1212 1212-1234

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

May 21 1954	Sterling Certificate of deposit	interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Bank (Sell)	Trade (Buy
Vernight days notice days or days or days notice me month wo months hree months x months ne months ne months	8-: 812 987a 914-91a 9-: 9-5	6-11 	714-719 734-778 818-814 819 914 959 934 10rb	614-8 	6-9  7 <sup>1</sup> 4 8-1-8 <sup>1</sup> 9 8 <sup>1</sup> 4-97 <sub>8</sub> 9 		81 <sub>2</sub> 83 <sub>4</sub> 8-6	856 87.878 861 861 9.3.9%	81 <sub>2</sub> 81 <sub>4</sub> 8-3 81 <sub>5</sub> 81 <sub>6</sub>	
	:Local Auth.	Local	Finance			ECU	MONEY	RATE	:s	

Deposits Deposits Deposits Deposite 10.4-10.5 846-9-6 10.85-11.06 93g-95g 11.25-11.35 93g-97g 11.35-12.85 101g-101g 12.1-12.6 12.5-107g Three monti 10:1-10:4 1058-1078 Five years...

ECGD Fixed Rate Export Finance Scheme IV Average Rate of interest period April 4 to May 1 1984 (inclusive): 8.934 per cent. Local authorities and honce houses seven days notice, others seven days fixed. Finance and honce houses seven days fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9 per cent thom May, 1984. London and Scottish Clearing Bank Rates for tending 9-9 per cent. London Deposit Rate for sums at soven days notice \$1.6 per cent cent. London Deposit Rate for sums at soven days notice \$1.6 per cent. Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Certificates of Traceury Bills: Average tender rate of discount 8.8554 per cent. Under Cont. Sienne 1982 per cent. The cont. Sienne 1982 per cent. The first form May 10. Daposits held under Solies 4-5 10 per cent. The rate for all deposits withdrawn for cesh 7 per cent.

Fed funds ..... 97%
Fed funds at intervention ... 97% Treasury Bills Two year 98° 12
Three year 99° 12
Four year 95° 2
Four year 95° 2
Seven year 95° 2
10 year 98° 3
30 year 98° 14

NEW YORK (Lunchtime) 

### FINANCIAL FUTURES

### Gilts firm

Gilt prices were firmer in the ondon International Financial London International Financial Futures Exchange yesterday. Values finished close to the day's highs in line with a firmer cash market as dealers reacted to a firmer tone in the U.S. bond market. This followed suggestions that the U.S. Federal authorities may refrain from tightening credit policies at todays FOMC meeting. There had previously been fears that the U.S. discount rate would be increased from its current level of 9 per cent.

The market based its judgement on the possibly damaging French franc was lower at DM 32.555 per FFr 100 from DM 32.575. The Dutch guilder also eased to DM 88.95 per FI 100 against DM 88.98. Elsefixed unchanged from Friday at

range against the dellar in 1984 is 8.6850 to 7.99. April average 8.1285. Trade weighted index 65.9 against 66.7 six months ago. 7 The French franc showed mixed changes at yesterday's fixing in Paris. The dollar fell to FFr 3.4965 from FFr 8.5265 while sterling improved to FFr 11.8305 from FFr 11.8300. The Swiss franc was also higher at FFr 3.7370 from FFr 3.7340. Within the EMS, the D-mark rose to FFr 3.0712 compared with FFr 3.0999 and the Belgian franc was higher at FFr 15.1280 per BFr 100 from FFr 15.1230. The Dutch guilder lost ground however to FFr 2.7316 from FFr 2.7330. The market based its judgement on the possibly damaging implications of higher U.S. interest rates on third world debtor nations and also the recent support operations given to Continental Illinois. Against this background bond prices improved and Euro-dollar cash rates took a softer turn. LONDON

May 21 | Prev. close 51,3920-3930 81,3875-3885 0,25-0,28 dis 0,24-0,26 dis 0,81-0,85 dis 0,84-0,87 dis 3,56-3,62 dis 3,65-3,70 dis

THE DOLLAR SPOT AND FORWARD UK† 1.3885-1.3965 1.3910-1.3920 ireland† 1.1100-1.1165 1.1155-1.1165 Caneda 1.2940-1.2952 1.2940-1.2945 Nethind. 3.0980-3.1110 3.1010-3.1030 56.03-66.05 10.098-10.12\* 10.098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0098-10.09\* 1.0088-10.0088-10.0088-10.0088-10.0088-10.0088-10.0088-10.0088-10.0088-10 % Three p.e. months 5.13 4.20-4.15 pm -0.64 2 pm-2 dia pm 1.07 2.75-2.25 pm 5.55 3.87-3.82 pm -6.83 125-400 dis --4.91 165-180dis --4.91 17-18 dis --1.91 1.55-2.05dis --1.24 1.50-2.40dis --1.34 1.50-2.40d

**CURRENCY RATES** 

Sterling — J.745666 9 1.03819
Canadian 8. 11.53 444 20.1710
Beiglan Fr — 1 1 58.3307
Danish Kr. — 7 10.5008
D'mark — 4 2.87122
Gulker — 5 3.2981
French Fr. — 9½ 8.82098
Lira — 15½ 1768.95
Yen — 5 5 249.833
Norwejn Kr. — 8 8.14516
Spanish Ptz. — 160.039
Swedish Kr. — 82 8.40882
Swedish Kr. — 4 2.35949
Groek Drich 20½ 112.862 80.5 131.7 88.9 115.2 89.9 77.9 124.9 146.6 116.6 65.9 48.3 187.4

CS/SDR rate for May 18: 1.34356,

JAPANESE YEN Y12.5m \$ per Y100

The June gilt price opened at 104-06 up from 103-27 and touched a best level of 104-08 before closing at 104-06.

Both gilt prices and short sterling values appreciated as a result of sterling's slightly firmer tone and easier interest rates in London. The June short sterling contract opened at 90.77 up from 90.67 and reached a best level of 90.83 before closing at 90.80.

The June Euro-dellar price rose to a high of 88.45 from an opening level of 88.36 and closed at 88.44 up from 88.18 on Friday. The FT-SE 100 futures market opened unchanged but improved in line with a firmer note in the cash equities market. The June price opened at 108.15 and traded between a high of 108.70 and a low of 108.05 before finishing at 108.55 compared with Friday's close of 108.15.

THREE-MONTH EURODOLLAR Sim points of 100% June 108.55 108.70 108.05 1 Sept 108.30 108.55 107.90 1 Dec 108.80 109.70 109.00 1 Volume 359 (616) Previous day's open int. 674 (519) CHICAGO U.S. TREASURY BONDS (CBT) 8% \$100,000 32nds of 100% THREE-MONTH STERLING DEPOSIT \$250,000 points of 100% U.S. TREASURY BILLS (IMM) \$1m points of 700% 20-YEAR 12% NOTIONAL GILT

Close High Low Prey 1.3942 1.3953 1.3940 1.3905 1.4025 — 1.3985 1.4117 — 1.4039 THREE-MONTH EURODOLLAR (IMM) \$1m points of 100% Valume 19 (81) Previous day's open int. 2,817 (2,819) Letest 88.13 87,29 June Sept Dec March June STERLING (IMM) Se per £ High 1.3980 1.4065 1.4160 1.4250 en int. 1,387 (1,387) 66-23 65-12 64-09 63-11 High Low Prev — — 0.4302 — — 0.4363 63-11

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### WORLD VALUE OF THE POUND

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) beard on U.S. dollar parties and going starling-dollar rate; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) The table below gives the latest except where they are shown to evaluable rate of exchange for the pound against various currencies on May 21, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial

COUNTRY	CURRENCY	VAL E OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF & STERLING
Afghanistan Albania Algeria	Afghani Lek Dinar §French Franc	99,00 10,07 (A) 6,9040	Greenland Grenada Guadaloupe Guam	E. Caribbean \$ Local Franc U.S. 5	14.0475 5.75 11.79 1.3915	Peru Philippines Pitcairn Islands	Philippine Peso LE Sterling New Zesland &	exe(A)4,232,96 19,21 2,1490
AngolaAntigua	Kwanza E. Caribbean \$	(CM) 48.7625 3.76	Guatemala Guinea Guinea-Blasau Guyana	Syli Peso	1,3916 53,00 112,30 5,2376	Poland	Portugu'se Escudo	154,13 195,50 1,8915
Australia	Au <del>stra</del> lian S	57,51 1,5520 26,955	Haiti	Gourde Lempira	6,9575 2,80	Qatar Reunion (sland	Qetari Ryal	5,0780 11.79
Bahamas Bahrain	Ba. Dollar	195.50 1.3915 0.686	Hong Kong	H.K. 9	10,8975 64,54‡	Romania	Leu	(Om)5.58 (N/C)19.78 137,30
Balearic Isles Bangladesh Barbados	Spa. Peseta Taka	814.15 54.80 9.7830	iceland india indonesia	ind. Rupes Rupiah	41,4355 15,83 1,403,65	St. Christoper St. Helens St. Lucia	St. Helena £	5.75 1.0 5.76
Belgium Bellze Benin	B.S.	(cm) 78,00 (fn) 79,00 2,7830 689,5	Iran Iraq Irish Republic	Iraqi Dinar Irish £	123,20(sg) 0,4338 1,2480	St. Pierre St. Vincent Se vador E L	Local Franc E. Caribbean \$ Colon	11,79 3,78 3,6485 1,3915
Bermuda Bhutan Bolivia	Bda 3 Indian Rupes	1,3915 15,83 (O) 2783,0	italy Ivory Coast	snekoi Lifa	269.5 2,363.75 589.5	Samoz American San Marino Sao Tome & Prin	Italian Lira	1,3915 2,363,75 60,45
Botswana Brazil Brit, Virgin Isles	Gruzeiro ‡‡ U.S. <b>\$</b>	1.6450 2,102.8 1.3915	Jamaica JapanJordan	Yen	5,51 884,5 0,526	Saudi Arabia Senegal Seychelies Sierra Leone	C.F.A. Franc S. Rupes Leone	4,9065 589,5 9,54(ag) (0)3,45
Brunei Bulgaria Burma Burundi	Lev Kvat	2,9460 1,4120 11.60 163,265	Kampuchea Kenya Kiribati Korea(Nth)	Riei Kenya Shilling Australian 5 Won	N/A 19,625 1,6520 1,6555(1)	Singapore Solomon islands Someli Berublic	Singapore 5 Solomon is. 5 Some?! Shilling	2,9460 1,7515 24,45
Cameroon Canada Canary Islands	C.F.A. Franc	589,5 1,8010 214,15	Korea(Sth)	Kuwaiti Dinar	1,111.71 0,4117 48,7025	South Africa Spain		1,7815 214,15 214,15
Cape Verde Is	Cape V, Escudo Cay. Is. 5 C.F.A. Franc	111,40 1,1595 589.5	Lesotho	Lebanese ≉ Maiuti Liberian S	8.0490 1.7815 1.8915 0.4119	Sudan Republic Surinam	Sudan £ (u) S. Guilder	34,60 1,8305 2,4908 1,7815
Chide	Renmindi Yuzu Col. Peso	589,5 124,40 5,0400 (F) 135,22	Libya Liechenstein Luxembourg	LUX FIBIC	3.1686 78,00	Switzerland	8, Krona Swiss Franc	11.26 5.1625 ((A) (T)10.0
Compo (Brazaville). Costa Rica	C.F.A. Franc	589,5 589,5 (U) 50,40 1,2210	Madeira Madeira Malagasy Republic Malawi	MG Franc Kwacha	11.50 195.50 734,85 1.90	Talwan	Tan. Shiiling	55,10 17,425
Cyprus	Cuben Peso Cyprus £	0,791 (com) 9,40 (n/c 16,36	Malaysia	Rufiyaa	3,2310 10,5060 1,178,0	Theiland Togo Republic Tonga Islands Trinidad	Ha'anga Trinidad & Tob \$	17,425 31,88 589,5 1,5520 3,5395
Czechoslovakia Denmark	enish Kroner Djibouti Franc	(15,84/9) 14,0475 240 (eg) 3,75	Mail Republic	Maitese ≈ Local Franc	0,6875 11,79 79,40 18,375	Tunisla	Tunisian Dinar Turkish Lira U.S. 8	1,017 (eg) 490,97 1,3915 1,5520
Dominican Repub' i	Dominican Peso	(0) 1,3915 (7) 4.1745 ((0) 85,83	Mexico	Mexican Peso Local Franc	(F)255,50 } (C)225,05 11,79	Uganda		(408,50 (438,50 (5)
Egypt	Egyptian &	(if) 195.10 (ii) 1.1558 (1.6710,8) 428,3	Monaco Mongolia Montserrat	Tugrik E. Čeribbean S	11.79 4.75 (II) 3.76 11.75(sq)	United States Uruguay Utd, Arab Emitates	Jruguay Peso J.A.E. Dirham	1.3915 77.95 5.1185
Ethiopia	Ethiopian Birr Falkland Is. £	(P) 2.9600 1.0 14.0475	Morocco Mozambique Namibia	S.A. Rand	11.75(sg) (A) 58.60 1.7815	U.S.S.R Upper Volta Vanuatu Vatican	<b>Vatu</b>	1,1160 589.5 127.7 2,363.75
Farce islands Fiji lelands Finland France	Fiji \$ Markka	1,4705 8.09625 11,79	Nopal Notherlands Netherlands mtilles New Zealand	Neckless Rubes	22.40 4.32 2.4908 2.1490	Venezuela		(4) 5.99 (6) 10.45 (6) 21.43 (0) 13.85
French C'ty in Af French Guiana French Pacific Is	C.F.A. Franc Local Franc	589.5 11.79 210 (sg)	Niger Republic	Cordoba C.F.A. Franc	13.95 589.5 1,047559(sg)	Virgin Island U.S \ Western Samoa &	J.S. Dollar	1,3915 (A)2,3850
Gabon	Dalasi Ostmark	589.5 5,00 3,84	Nigeria Norway Oman Sul'ate of Pakistan	Norwegian Krone Rial Omani Pakistan Rupes	10.8975 0.4825 19.14	Yemen (Nth)	Yaman Dinar	7.29 (sg) (A)0.4770 191.4142
Germany (West) Ghana Grbraitar Greace	Deutsche mark Cedi Gibraltar £	3,84 48,79 - 1,0 151,60	Panama Papua N. Guinea Paraguay	Kina	1,5915 1,8220 1(0)175,15 1)F, 222,40	Zaire Republc Z Zambia Z Zimbabwe	Kwacha	48.9767 2.36 1.6295

Rate is the transfer merket (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bitate agreement with Egypt and who are not members of IMF. ([]) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for principles such as loodstuffs. (3) Non-essential imports and private sector applicant. (4) Preferential rate for public sector debt and assential imports (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad. (3) Banknote rate.

### INTERNATIONAL CAPITAL MARKETS

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 21

and closing prices for May 21.													
U.S. DOLLAR				Class.			T.1			•			
STRAIGHTS	Estated	鰑	Officer	Change	THE THE	Yeld	Toksi Asia 121/a 91	100	9134		+ 95/10		14.13
Alaska Heasing 11% 94	100	987	90%		+01/2		World Back 11% 89		92%	92%	+U+8	-14	
American Samoos 12 88	125	98	951/2		÷6%		Yazada Tsi&Fin 12% 89		933%				14.23
Asstrate Comm. 114, 90	100	967%	357/a		+04		Average prize chang		+1112	- W	# -U"	•	
ACSTRATA COMM 111/2 95	300	887/2	892/8		-0%								
Australia Cours 11% 98	100	8244	227/4		- 65/g		DEUTSCHE MARK				Change	_	
Assiration had Day 11 89	75	917/8	92ºa		-84		STRAIGHTS	ksaed	Siel	Offer	day .	WEST.	Yield
Back Of Tokyo II % 90	:00	9124	9178	+1%		13.85	Alled Chemical 7'r 94		5834		8	-64%	
Beneficial O/S Fin 12 91	100	883.	89%		- 1%	14.48	Ance for 1 8% 91	100	10914			+818	
Cattory O/S 1174 99	70 <b>0</b>	<b>95</b>	<b>95</b> 1/2	+012	+02/2	12.46	ANAS, 812 91		1001/6	10076	0	0	5.38
D.H.C. 1174 91 WW	50	91	9142	0	Q	13.8D	Austra, Republic 7% 94	200	57 V?	9814	8	+018	7 94
D.N.C. 3134 91 XW	50	90	30 l/s	0	8	14.05	Bacter Travenol 7% 94	200	96%s	97%	+1114	+ 81.4	7.69
Deservank Kingdom 12 91	100	984	905/4	+15%	-1%	14.27	Credit Mational 84s 94	200	98%	991's	+614	+01/2	8.27
Demount Kingdom 1214 93	100	217	92		+6%		Degussa Int Fin 747 94	100	1884	100%	8	+01/2	7.42
Digital Equap   174 89	156	9446	945-2		+87%		EEC 8 92		9854	9942		+8 <sup>1</sup> 7	
Dutch Mises 11% 91 E.O.C. 11% 88	120	885)	891e		— <b>65</b> /8		E.I.B. 8 91		97%	98%	8	-04	
EEC. 12 93	130 50	9134	911%	+019		13.64	Escaro 8 97	150	97%	985/4		+ 614	
E.B. 111/2 90	30a	92 <sup>1</sup> 2	93		-84a		Ferrovia Della Stata 8 91		8274	99Vz		+ 0/2	
EI.B. 121/2 90	100	95%	51		+848		Finance Rep 71/2 91		967/1	674 <sub>8</sub>		+0%	
E.I.B. 1248 94.	100	33-1	96% 95%	=	=	13.54 13.60	let Standard Ele 73's 90	100	99 Va	9974	- G1-z		7.45
Eisportfinans 11 1/2 90	100	90Va	3034		- +077		Megal Fin 844 94	130	99%	10098 983%	+0-		
Eurofina 12½ 91	100	94	9442		+1'		Mitsubisti Hvy 312 88XW		975% 845%		+U48	+016	
Gen Elec Credit 11 91 WW	200	915-	921.6	+(34		12.84	Ricean Flour 31/2 89 WW		B41-7		8	-217	
Gulf & Western 121/s 89	100	944	9418	+01-		13.55	Nappon Flour 312 89 XW	30	18217			-8148	
L1.L 12 88	700	93	9312		-84		O K.B. 71/2 88				0	8	7.68
Indust Bk Japan 1142 89	125	91 Fg	3217		-13°E		Pensico 0/5/ Fin 71% 84	250	88		ă	-8%	
ladast Elk Japan 117, 91	100	983 <sup>8</sup>	90°		十四十		Remode: 0/5 Fin 73/8 94	125	1901/a	190%	+014	+617	7.42
let Paper C/S Re 12 91		9E14	9524	8		13.01	S.N.C F. 8Ve 93		994		В	+ 6/4	
ITT Fatauce 111/2 89 WW		953-e 915-a	9679 924a		+817		S\$ Africa Rep 81/2 91			1014		+ []24	
Macy 0/S 11% 91	100	9134	9174	B 014	0 11/2	14.28	World Sank 73% 89	100	99%	1001-8		- B12	
Mitsei Trust Fig 12 91.		203	9114		- 13g				98½ 98%		+ 8년 8 + 8년 8		
Montreal, City 1242 91		951	955%	B		13.55	World Bank B 94						0.12
Morgan Guaranty 12% 88	150	945 1	951-8	+812	-i ·	13.73	waste her cent	to one seal	T 870		- +0"	•	
Ned Sesurie 11% 91	75	9014	984		-8%s		SWISS FRANC				Clarge	96	
Newtoundland Prov 13 91	75		10114		+054		STRAIGHTS	SSORd	66d	Otter	day "		Yield
Kippon Cradia 117a 90		90'4	9374		+0'*		Asian Dez Bank 6 94	100				0	5.91
Mapor Tele 113/2 90	100	92% 91%	5244		+64		Aostrelia Comm 51's 96	EO	57	971/4	8	8	5.46
Onterio Hydro 11% 94	200	872%	92 88%	+81/2 8		13.67 13.92	Austria Republic 51/7 94		98	981/2		-8 <sup>1</sup>	
P.K. Banken 12 90 W//		987.	913%		-04		Cofinante 7 94 Consol Press 61/4 94		182\; 99	9514 103	+ 11/1	+114 +84	
Predential 10% 93 XW		817/2	8130		+0-2		E.I.B. 634 98		132	18844		-812	
Cambec Hydro 111/2 92	109	+92	9217		+11.7		Eec Power Sev 54s 93	100	981/4	981/2		_G2.c	
Gentler: Previous 12'vs 94	150	95	9517	+018	0	13.11	Figland Republic 5-44 94		9814	981/2		-8°s	
Reyal Bit of Can 111/2 89			52°-		+11/4		M1-Arr Dev Bk 6 96	10 <b>0</b>	99	99 Ya	-6/5	- B¹ ∎	
Rural & fod Bk 12 91 Sears O/S Fig 1147 88		9) 941-	931z		-0,1		Japan Bev Bank 512 84	100	984		8	B34	
Seers 0/8 Fig 11% 51	160		9424 9244	+04	+6-4	13.13	Japan Fig Corp 51-7 94	100	9724	98	-51/4		5.79
Sec Pac O/S Fin 115m 39	75	†89	9244 89 <sup>1</sup> 7	+ 1548	+85s -1	13.48 14.90	Kyusha Be Power 54's 92		109	1684		+ 01/2	
Sec Pac O/S Fig 12 52	100		Str		-21/E		Lourho Int Fin 64's 94 Nat Australia Bir 55's 94		†101 98%	101 4 9834	B	+14 +Blo	
S.E.K. 1137 89	100		9154		- 0		Manuscory 814 94	175		10974			
Skewson/Amer. 124s 54	100	903 L	987/8		-175		Monage Europes 5% 84		.97	9744	+84		6.27
State# 12 88	100		9718	_	_	13.05	Nigona Tel & Tel 534 93		100%			+017	
Secretors Fig. 1234, 91		935%	944's	+50	+05%	14.18	Nуррон Yusen K K 5¾ 92		9847	9844	-014		

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YEN STRAIGHTS	ssued	Bed	Offer	Ġm,	WOEL	Yes
Atian Dev Bk 71a 34	15	282	987.	-61	+0'4	7.59
Furctions 71/2 94	10	982.	987 E	-0'7	ā	7 57
Int-Am Care Rk 7% 93	15	9917	100	-014	+ 0° a	7.90
(Verta Sant 7 94	20	95	9517	-8:4	+ D¹ €	7 79
V/orld Bank 75 g 93	20	100	100'7	9	+073	7.58
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OTHER STRAIGHTS	Sseed	Bel	Biller Willer	Cay	Meet	1165
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Canadian Oct 122s 99 ES			95		+124	
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World Bank 1244 90 CS	76		97:4	ĭ	+812	12 92
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GTE Fin 1074 92 ECU	50	4983	95¹ s 9724		+81.	
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let Steel He 842 89FL	100	181°s	1915	g	+01/2	<b>8.12</b>
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lot \$1md 24n 114n 89 E	50	97Vs	3734	$+0_{25}$	+17-4	11.81.
Ireland 11-4s 54 £	50	92'2	9314	+814	+0.4	12.57
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SNCF 11% 94 £	5U	91 % 94 %	92'7	+64	-84 +012	12.05
Sectories 10 89 Lf	600	97%	3374 3874		-04 -04	
Cool Europe 10Pks 93 LF	600	9942	100°s	+6,8	_0's	10.72
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FLOATING BATE						
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2 B L let 5 98	U4E Rive	2674 +882-	56'7 882-	26/10	11.15	11.60
Bank of Montreel 5 96	0'a	99-4	997~4	27/18	11.15	11.24
Benque todasuez 514 99	Ū†q	99	9944	21/9	11.05	11.15
Barque todosuez 514 99 Barcleys 0.5 Inv 5 2004	O's	97° 2	98	2.'9	10.56	18.79
RFR For 51-a 26	₿I:B	99 973's 93's	9923	1/5	1023	10.47
Commercials 514 89 XW	Ų	33'4	22-4	21/2	10	18.05
Creditaostatt Bank 5 95	B1.16	975-8	97772	23/8	1942	19 74

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13	Matter France 514 SS	. Ola	38 <sup>1</sup> 7a	98'z	1/9	19.56	19,71	į
4	Yor & Dentark 5' 4 99-	O'e	994	9917	11/8	11	11 07	i
5	47 Nes Peg 5 89	. 021	108	1004	10/11	12.44	12.42	ı
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.07	Fanuc 324 98			117	118	-21/4		t
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19	Kanshiraku Phota 4 SE	10.83	673			+8':		ĺ
56	From Hake 64 97		762		11512			ı
92	Morebea Ca Let Sira 98		667			_2		ı
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# Eurodollar bond prices up after small U.S. rally

BY MARY ANN SIEGHART IN LONDON

THE EURODOLLAR bond market recorded its first price gains for a month yesterday on the back of a small rally in the New York market. Prices of a few issues rose by as much as a point, but the average in-

crease was 1-1/2 point.

Dealers attributed most of the gains to professional short-covering. Retail investor interest was apparently limited.

However, the technical rally allowed a small new issue window to be opened. Export-Import Bank of Japan launched the first dollar fixed-rate bond for nearly two weeks. Guaranteed by Japan, the \$75m issue has a 13% per cent coupon at par and a life of seven years. It is led by Morgan Guaranty and Long Term Credit Bank of Japan and is understood to involve an interest rate swap into floating rate

Bonds guaranteed by Japan are usually extremely popular with in-vestors and this proved no exception. It traded at a 1% per cent dis-

count, within its selling concession. Credit Lyonnais, meanwhile, is raising \$300m through a floating rate note, \$200m of which is directed at European investors and the balance at the Middle East.

with a put option for investors after sue. The 10-year bond has an avereight years and pays a coupon of ¼ age life of eight years and an indiper cent over the mean of the six- cated 8% per cent coupon. Lead month London interbank bid and managers are Amro Bank and ABN offered rates at par. Led by Credit Bank. Lyonnais itself, the bond traded at Price a 0.32 per cent discount, comfor-tably within its 0.625 per cent fees. in quiet trading.

The Samsung Group, the telecommunications and construction company, became the first Korean private sector borrower to tap the Eurobond market yesterday, with a

\$30m floating rate note paying %

per cent over six-month Libor. Led

by Continental Illinois, the note has

BHF Bank bond average

a 10-year final maturity with put options at years four, six and eight. The European Economic Comm nity launched its long-awaited Ecu 50m bond designed for sale to Swiss investors. It is led by SBC Interna-tional, Credit Suisse First Boston and UBS Securities and has an 11% per cent coupon at par for seven

SBCI hopes to place over half the issue in Switzerland - whose investors are not renowned for their enthusiasm for Ecu bonds - and says that the bonds are being sold at around their 1% per cent selling

The European Investment Bank is raising Fl 300m in the largest The bond has a 12-year maturity ever international guilder bond is-

> Prices in Swiss and German secondary markets closed unchanged

### **ENERGY REVIEW**

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every Wednesday in the Financial Times

This announcement appears only as a matter of record.

U.S. \$235,000,000

Multi-Market Limited Recourse Project Financing

for the working interest in the

# Argyle Diamond Project

### **CRA** Limited

Proceeds of this financing will be applied to the 56.8% share of CRA Limited ("CRA") in the costs of development and construction of the Argyle diamond mine and processing facilities in the Kimberley region of Western Australia. The project is structured as an unincorporated joint venture between subsidiaries of CRA (56.8%). Ashton Mining Limited and subsidiaries (38.2%) and Northern Mining Corporation N.L. (5.0%). The project, the world's largest diamond mine by volume of production, is designed to produce 25 million carats per annum of gem and industrial quality diamonds. Credit arrangements, which are identical for each tranche, include a guarantee of the loans by CRA until completion of construction, a charge over CRA's share of project assets and proceeds of the sale of diamonds. The loans ("Production Loans") and letters of credit ("Production Credits") are provided to CRA via a special purpose finance subsidiary, CRA (Argyle) Finance Limited. They are governed by a master Production Loan and Credit Agreement and are repayable over a maximum of 1112 years from CRA's share of project cash flow.

The Production Loans and Production Credits are available in the following tranches:

U.S. \$235,000,000\*

Eurodollar Production Loans

U.S. \$235,000,000\*

Bank Letter of Credit Facility

available to support the issuance of various securities and/or money market instruments

Maximum amounts for each tranche, subject to the overall credit limit of \$235 million and to reduction based on the final project cost

The undersigned acted as financial adviser to CRA Limited in connection with the development of the financing plan and the arrangement of the above financing.



The First Boston Corporation

### **WORLD VALUE OF** THE POUND

every Tuesday in the **Financial Times** 

### Banks await mandate on Jordanian credit

BY MARGARET HUGHES IN LONDON

Arab Bank are today expected to be awarded the mandate for the \$200m syndicated credit sought by the

Kingdom of Jordan.

The credit will be in two tranches. One, for \$150m, will be based on the London inter-bank ofsame 1/2 per cent margin as the Libor for a 10-year maturity.

\$225m credit arranged for Jordan Meanwhile, the mandate last year by Arab Bank.

such as Gulf International Bank as skilda Banken.

NATIONAL Bank of Kuwait and well as a European and an Ameri-

This is the first loan to be raised by the kingdom for over a year, al-though credits have been raised by various state-owned companies.

David Dodwell adds from Hong Kong: Fifteen banks have been infered rate. The other will be raised in Kuwaiti dinars for KD 15m (\$50.7m). Both tranches will have a maturity of seven years, the Liber tranche probably having the Liber tranche probably having the this year, probably is per cent marries as the liberter and the liberter and the liberter and the liberter and the liberter and the liberter and

\$75m multi-currency - revolving A lead management group of five credit facility which Iceland is seek-or six banks is expected to be ing has been awarded to Morgan formed including other Arab banks Guaranty and Skandinaviska En-

# The Name to Know In Air Technology Häkt

# Leadership Consolidated in Main Fields New Technological Advances

In fiscal 1983, capital spending remained low in most of Flakt's major markets as a result of the weak economy and uncertainty about the ongoing recovery.

Fläkt maintained earnings despite this trend. The Group also scored notable successes in the following principal areas of operation:

 AIR POLLUTION CONTROL. Fläkt was awarded all major contracts placed by the aluminium industry for fume treatment plants. Order bookings in Western Europe for flue gas cleaning systems also rose sharply against a background of increasingly stringent environmental laws. In view of growing international interest in technology to reduce sulphur dioxide emissions from coal-fired processes, demand for Flakt's advanced flue gas desulphurization system - already in commercial operation in Europe

and the U.S. - is expected to increase. ENERGY. A breakthrough was noted for Flakt's BIOMASSTER system for processing biofuels. The first North American contract was signed in Canada.

 PAINT FINISHING. Fläkt consolidated its position as a leading supplier of spray booths to the automotive in-dustry by winning substantial orders from Ford and General Motors in the U.S.

· AIR HANDLING. The Group's position in the industrial fan field was further strengthened through the acquisition of Solyvent-Ventec (France). Flakt is now one of the three largest fan companies in the world.

 MARINE AND OFFSHORE SECTOR. Flakt noted a strong trend of order bookings for its specialized cargo hold ventilation systems and air handling systems for offshore platforms, special vessels, ferries and cruise ships. Equipment was supplied to most major shipyards in Asia and Europe.

 PULP AND PAPER INDUSTRY. The wholly owned Gadelius Group received substantial orders from Japanese pulp manufacturers, including a contract for Japan's first medium-consistency bleach plant of the Kamyr type.

Other significant developments in 1983 included the opening of a new R&D centre for industrial air handling technology — the largest of its kind — and a new air process module for clean rooms for the pharmaceutical, biotechnology and electronics industries. In Japan, Gadelius established an assembly plant for local manufacture of ASEA industrial robots.

If you would like to know more about one of the leading companies in air technology and its potential for future growth, why not write for a copy of Fläkt's 1983 annual report. A request to our head office, or to our local company below, will receive prompt attention.

# ANNUAL REPORT HIGHEIGHTS

(£ millions, except per share d	lata)	
INCOME DATA	1983	198
Sales Earnings before special adjustments	659.4	606.
and taxes	15.9	17.
Taxes	9,2	· 7J
Reported net earnings	3.5	5,
Adjusted net earnings	6.4	5. 7.
Per share	1.43	1,7
OTHER DATA	-	
Order bookings	660.0	650.
Order backlog at year-end	634.3	<b>606</b> ,
equipment	15.3	34.
Dividend per share	0.78	0.7
Employees at year-end	13,419	13.89
Amounts in £ translated from Swedish kronom		



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# FINANCIAL TIMES SURVEY

# Finland

The economy is again expanding strongly and the present four-party coalition is showing a surprising durability. A steadfast foreign policy of close ties with the neighbouring Soviet Union continues to underpin Finland's stability

# **Smooth transition**

The potentially uneasy transition from the long era in which Finland's political life was overwhelmingly dominated by President Urho Kekkonen has been achieved more smoothly than most dared hope.

President Mauno Koivisto, who took over the presidency early in 1982 after a landslide victory, has ensured continuity

And nine from the non-Socialist the Centre Party, the Rural Party and Swedish People's Party.

That balance will not be given up easily by Mr Paavo Väyrnen, Foreign Minister and leader of the Centre Party, who has been fighting hard to arrest the decline in the party's fortunes which began in the party's fortunes which began in the Pinnish Comminusts' self-inflicted wounds will heal quickly.

The centre Party, the Rural Party and Swedish People's Party.

That balance will not be given up easily by Mr Paavo Väyrnen, Foreign Minister and leader of the Centre Party, the Rural Party and Swedish People's Party.

Soviet attitudes will inevitably weigh heavily with delegates to the party congress the decline in the party's fortunes which began in the Pinnish Comminated by President Urho Kekkonen has been achieved more smoothly than most dared hope.

By Kevin Done

Nordic Correspondent

victory, has ensured continuity in Finland's foreign policy and appears to have quickly estab-lished stable relations with the Soviet Union despite the rapid change of leaders in Moscow.

The present four-party coalition Government, led by Mr Kalevi Sorse, the Social Democratic Prime Minister, is also showing a surprising durability. For much of the post-war period Finnish governments managed to last little more than a year But last little more than a year. But Mr Sorsa has raised the question of a reshuffle following the local elections in the autumn.

all (Tell

THORY

The local elections will be the first test of opinion since the general election in March last year, in which the voters year, in which the votes appeared to express a general dissatisfaction, with politicians and the conventional parties. The element of dissatisfaction the Finnish

Nordic Correspondent

Vennamo, for the rise in sup-port for this protest party proved

port for this protest party proven strong enough to take it into the Government coalition.

The Rural Party was expected to be a factor of considerable instability in the Government, but its inclusion has in practice removed one of the administration. tion's most intemperate critics from the ranks of the opposition. Mr Sorsa's talk of a reshufile has been founded on a wish to give the Government a broader base. Under the Finnish constitution tution a vote by just one-third of the members of parliament is sufficient to block most legisla-tion, postponing its passage

beyond the next election.
Such a system compels the parties towards consensus, but it also encourages the formation of a Government as broadly-

based as possible to avoid set-communists" are expected to backs in parliament.

Mr Sorsa's undoubted polifical skills will be put to a party chairman. Mr Jouko difficult test, however, if he Kajonoja, seeks to widen the Government The majority line, which the inclusion of the dose expect to evident here.

early 1970s.
As big an obstacle to a reshaping of the Government comes from the Communists, however. More often than not they have been included in the Government since 1966, but for most of this period they have been driven by internal splits. The bitter divisions have cost them a heavy fall in electoral

sniping against Government policies and forced them out shortly before the election at the end of 1982. The Com-munists now face a possibly decisive party congress at the the Agrarian League and the end of the month, when the so-called majority line of "Euro-Kekkonen, has lost ground as

of political life

difficult test, nowever, a seeks to widen the Government through the inclusion of the Finnish People's Democratic League, which comprises the Communists and their left wing Socialist allies.

A MOOD of optimism and confidence pervades Finland. The economy, which for many years has outpaced most other industrial countries, is again expanding strongly of the Government, with eight Social Democratic Ministers and nine from the non-Socialist sparties, the Centre Party, the Darty and Swedish Mr Kajonoja.

The majority line, which does appear to outnumber the Stalinist faction, has traditionally been more in favour of serving in the Government, but there is no guarantee that it will win the day. A recent will is reflected in the current shape of the Government, with eight Social Democratic Ministers and nine from the non-Socialist sparties, the Centre Party, the Darty and Swedish Mr Kajonoja.

tion in the Finnish electorate
—despite the general smooth
running of the country's affairs —appears still to be a signifi-cant factor, with the latest opinion polls showing a surge of support towards the "Greens" protest movement.
The Greens won two seats for

the first time at the last elec-tion and a recent opinion poll showed that they had obtained support, with the League taking showed that they had obtained only 13.4 per cent of the vote increased support to fully 6.9 in 1983 compared with 17.9 per cent of the electorate from cent in 1979 and an earlier peak of 28 per cent.

15. Sorra Sully Lest retions Mr Sorsa finally lost patience power remains in the hands of with the Communists' constant the same Centre-Left coalition that has dominated Finnish politics for most of the time since 1937, but the balance of forces within the coalition has shifted. The Centre, formerly



Mauno Koivisto, Finland's President. Mr Koivisto's election in 1982 was a landslide victory and his popularity seems undiminished, aided in part by the fact that he has been a banker, not a career politician, who has made almost a virture of stating unpleasant political and economic facts

many of its traditional voters have moved to the cities.

Replacing it are the Social Democrats, who now for the first time hold both the presidency—once elected the President is supposed to give up party affiliations — and the premiership in the Government.

### Detachment

In the tradition of Finnish presidents, Mr Manno Koivisto appears to be maintaining a certain lofty detachment, but he does seem to be trying carefully to widen the foreign affairs debate in a way not fol-lowed by his predecessor.

More infornmation is said to be flowing more quickly to both the Government's and Parlia-ment's foreign affairs committes—control of foreign policy is firmly in the hands of the President under the Finnish constitution — and both these

bodies are being allowed more influence.

A steadfast post-war foreign policy based on a belief that the porcy cased on a belief that me only way to attain security lay in the establishment of trusting relations with its giant superpower neighbour has enabled Finland to make the most—and even benefit—from its sensitive geopolitical position on the Soviet Union's north-western frontiers.

Finland's current stability and independence, which less than 40 years ago would have seemed almost unattainable, owes much too a strong instinct

our porridge spoon for us," former President Keksonen once wrote. "If we fail to do so ourselves we can end up with badly blistered mouths." Good relations with Soviet Union have led

CONTENTS High technology Electronics Central Bank Industrial sectors:

increasing trade with the east.
This has provided a valuable prop to the Finnish economy, especially during the recent years of recession in its most important western markets. Finland conducts its trade with the Soviets on a basis of balance. Its imports from the Soviet Union consist of up to 85 per cent of energy, mainly crude oil.

While the economies of most western countries sagged under the heavy burden of the two oil price shocks in the 1970s, Finland was able to work its way out of the crisis, massively increasing its exports to the Soviet Union—mainly of ships and other engineering products

—to pay for the much more expensive energy oil imports. The Soviet Union is Finland's largest trading partner, taking more than 26 per cent of its exports last year. Negotiations began this month on the new five-year bilateral trade agree-ment for the years from 1986 to 1990, but some benefits of the expected pact are already appearing in the shape of a batch of much-needed orders for Finnish shipyards.

With oil prices falling in real terms Finland's current trade with the east is stagnating, how-ever, and it is again looking for opportunities for growth in western markets. "Our western exports will grow by about 10 per cent in volume this year," says Mr Timo Relander, managing director of the Firmish Industry Confederation, "it's a

surprise for us too." The confidence of the business community which began to return last year is still surging ahead and most forecasts of economic growth suggest an economic growth stiggest at increase of as much as 5 per cent in gross national product. These forecasts may have to be twinned a little in the wake

mentary budget for 1984 in which the Government has acted to dampen growth because of its fears of accelerating in-

It has tightened fiscal policy further, in the hope 100 that it can strengthen the state's finances to give it more room to stimulate the economy during the next recession. The Governmen now expects a rise of 4 to 4.5 per cent in gross domestic product this year, still one of the highest growth rates in the

### **Priority**

With the recovery so firmly based—industrial output jumped by 6 per cent in the first two months—economic policy is now directed towards the first priority of bringing down Finland's inflation rate towards the level of its major trading partners in the west. The Government is confident that its latest moves will enable it to reach its target of an infla-tion rate of 6 per cent by the end of the year.

Its hopes were boosted by the national wage agreement reached in March. This will run for two years and has one of the lowest basic increases agreed over the past 20 years. Wage drift is still a threat, but the national pay pact is a good basis for curbing inflation further in 1985.

The national wage deal also showed the continuing ability of the trades unions and the employers to influence social welfare development, usurping the role political parties. The national wage pact was a complex deal which also included a far-reaching reform of Finland's out-dated unemployment benefit system as well as a first breakthrough for the unions in achieving shorter working



### FINLAND 2

The Finns believe that stable relations with Moscow are of greatest importance

# Continuity based on caution

### Foreign policy

KEVIN DONE

THE FINNS are deliberately cautious. Since 1945 they have founded their foreign policy and security measures on the firm belief that stable relations with the Soviet Union are of paramount importance.

That was the lesson Finland learned in its first two decades of independence after 1917, which led it to waging two wars of its own against the Soviet Union within the general con-nict of the 1939-45 War.

Modern Finnish foreign policy began to take shape dur-ing the desperate days of the 1940s and nothing that has happened since has caused successive leaderships to wish to change direction.

One of the first symbolic acts of the new President, Mauno Koivisto, was to travel to Moscow to renew the country's Treaty of Friendship, Co-operation and Mutual Assistance with the Soviet Union. Drawn up in 1948, the Treaty still had several years to run, but the renewal showed President Kolvisto's commitment to pursue the same foreign policy line as his predecessors, Presidents Kekkonen and Paasikivi.

Under the Finnish constitution the conduct of foreign policy is the personal responsi-bility of the President, not the Prime Minister. Finnish governents have been notoriously un-

in foreign policy is placed in the presidency, however, with a presidential election scheduled only every six vegres duled only every six years. Having had to establish per-sonal relations with three

sonal relations with three soviet leaders during only two years in office, President Koivisto has been hard-pressed to ensure this sense of continuity. But the promptness with which he travelled last month to Moscow for talks with the way Soviet President Konthe new Soviet President Kon-stantin Chernenko underlines the importance attached to close contacts by both coun-

Finland today is a small, affluent, Nordic democracy with a free social and economic system, but it acts from the deep-seated belief that the freedom it enjoys to develop its Western contacts derives directly from its good relations with its superpower neighbour.

It is a paradox often repeated by the former President, Urbo Kekkonen; "The

Gross Domestic Product (Volume increases)

somer Prices

previous year) Unemployment

stable, often lasting little more than a year. The pattern has perhaps begun to change and several leaders of the present four-party coalition have expressed a determination to serve the full four-year term to the next election.

The guarantee of continuity members of the Nordic Council. Finalsh patrol boat chased away finds the summer of 1982, when a submarine detected in the several leaders of the present enterthing that the summer of 1982, when a submarine detected in th

territory in pescetime, and it keeps Nato manoeuvres well away from its frontier with the Soviet Union.

Soviet Union.
Sweden, the strongest of the
Nordic countries with a high
priority on its military capacity
to defend its traditional neutrality, acts as a buffer for the
Soviet Union between the Nate
and Warsaw Pact alliances.
Sweden's buffer role is seen
from Helsinki as a vital support
for its own neutrality, and it

for its own neutrality, and it has been with growing uneasinass been with growing theast-ness that it has watched the deterioration in relations between the Soviet Union and Sweden, its closest neighbours and most important trading partners.

### Hunt

FINLAND'S NET FOREIGN DEBT

The Swedes' repeated hunts in

The Swedes' repeated hunts in their coastal waters for underdent. Urbo Kekkonen: "The greater the trust that prevails between Finland and the Soviet Union, the more room for manoeuvre we have in our dealings with other countries."

It is on that basis that it has developed its own brand of neutrality—following the withdrawal of the Soviet naval base at Porkkala, near Helsinki, in the mid-1950s—and has expressed more explicitly its role as a Nordic country and a submarine incident. It was in

O.

gasine

official has said.

Finland has in any event a much lower defence profile than its Nordic neighbour. It still follows scrupulously the terms of the 1947 Paris Peace Treaty, which limits some of the weapons it is allowed to purchase: It cannot have submarines, for instance, and it can have no more than 60 front-line

eircraft.
Defence spending at around Defence spending at around 1.7 per cent of gross national product is one of the lowest in Europe, and Finland tries to balance carefully its purchases between East and West. Its front-line air defence consists of both Russian MiG 21s and the ageing Swedish Draken fighters, for instance. It chose the British Hawk as a trainer aircraft.

radar and anti-sircraft defences since the late 1970s. We are trying to make the use of Finnish airspace as costly as possible," says the defence official.

The very fact, however, that deployment of Cruise missiles on the West should raise in public debate in the Nordic region the question of the Soviet Union's seeking military consultations with Finland—a right it has under the 1948 Treaty—underlines the sensitivity of Finland's political and defensive position. However defensive position. However low its profile, that fact can never be disguised.

# Growth plans revised upwards

FINLAND'S ECONOMY has grown considerably faster than the average for other indusyears, tempting the description of Finland as the Japan of Europe. Over the five years from 1977 to 1982 the economy (GDP) grew at an annual average rate of 4 per cent com-pared with only 1.6 per cent for the European OECD

Inevitably, growth slowed in Finland too during the past stimulation measures from the Government lessened the impact of the decline in the world economy. At the same time Finland was able to compensate for falling demand from Western markets through the substantial growth of its bi-lateral trade with the Soviet

Today, with exports to Western markets booming, the economy is again taking off faster than any expected even as late as last autumn. Forecasts are constantly being re-vised upwards and the country's leading bank, Kansallis-Osake-Pankki (KOP), now expects the economy to grow by as much as 5 per cent this year and at least 4 per cent in 1985. The bank's confidence is bolstered by the recent two-year

national wage agreement, which should ensure labour peace and moderate wage rises through to March 1986. The recent OECD survey of

the Finnish economy found few points to criticise and took issue only with the country's fight against inflation, which it des-cribed as "disappointing." Here too, however, Finland now appears to be making progress. In the 12 months to December last year consumer prices rose by 8.3 per cent against 9 per cent in the previous year -putting Finland at a distinct disadvantage against several of its most important trading partners — but the growth in inflation is now slowing.

The Government appears confident that its target of cutting inflation to 6 per cent by the end of 1984 will be achieved and Mr Matti Korhonen, chief economist at KOP, suggests the level could fall to 5 per cent during 1985.
With such a strong growth rate in the economy and the

consequent improvements in productivity, Finland is in any case better placed to absorb ris-ing costs than some of its competitors such as Sweden. Historically, the country has often experienced strong export-led cyclical upturns, which then

have led to an overheating of the economy, accelerating infa-tion and a subsequent weakening of competitiveness. Devaluations have often been resorted to in order to restore long. The last devaluation of the

Finnmark — by 10 per cent — was carried out in the autumn of 1982 in response partly to the big Swedish devaluation, and since then the Finnish cur-rency has strengthened con-siderably. Earlier this spring March 1985. the Bank of Finland even According to figures from the

(FMK bp) (FMK bu) Current Account balance

Currency (Fint DM 1=FMK 2.10 (Finnish markka) \$1=FMK 5.84, £1=FMK 8.10 Population: 4.8m; Land area: 338,127 sq kms (Britain: 245,000 sq kms); Official languages: Finnish 93.6 per cent, Swedish 6.3 per

increases agreed at the local level—and the overhang from earlier agreements are included. The rises were a little higher

than industry had hoped for, but the pill was made easier to swallow by the Government and

unions agreeing to a ninefold increase in the maximum fines

that can be imposed by the Labour Court for wildcat strikes,

Labour Court for which strikes. For the unions, the package was sweetened by a reduction in working hours from the beginning of 1986 and a reform of the unemployment benefit system from the beginning of next

The Finnish employers believe the wage increases are compatible with average infation rates of 7.3 per cent in 1984 and 5.5 per cent in 1985. This would mean the Government could mean the Government.

could reach its target of cut-ting the annual rate of inflation

averages. The Government expects the number of jobs to grow by more than 20,000 in the course of 1984 with an unemployment rate of 5.5 per cent forecast by the end of the year.

European countries—Finland was able to rely more on improved demand for its exports

to fuel growth from the second half of 1983.

exports could grow by as much

expects a further rise in exports

FINLAND IN STATISTICS

12.0 5.1

affected a symbolic mind-revaluation of 1 per cent, partly to show the labour market its determination on the inflation front.

The Government too appears

Finnish Employers Federation, the deal will mean that average earnings for all wage and salary earners will rise by about 8.5 per cent in 1984 and 5.8 per cent in 1985 once wage drift—

to be taking seriously its respon-sibilities for dampening infa-tionary expectations. With the recovery in demand from Western markets clearly in evidence, it changed its policy stance last summer with the introduction of more stringent fiscal policies in the second half of 1983 and in the 1984 budget.

### **Economy**

KEYIN DONE

The present four-party coalition led by the Social Demo-crats aims to cut both the to 6 per cent by the end of 1984 and to perhaps 5 per cent by the end of 1985.

Unemployment too is falling

crais aims to cut both the general Government deficit and the current account deficit. The central Government's indebtedness has grown rapidly, placing an inevitable constraint on the kind of demand management practised in the late 1970s. Compared internationally, the relative size of the debt is still not large, however, and Finland. Unemployment too is taking from last year's level of 6.1 per cent helped by vigorous investment and building activity. Finland has in any case succeeded in holding unemployment below the overall OECO and European not large, however, and Finland has not fallen into the same traps as its Nordic neighbours in building up a bloated public sector.
The most significant factor

bolstering the country's confid-ence in the fight against infla-tion is the recent national twoyear wage agreement Both sides of industry appear ready to describe the deal as "satisfactory" and the outcome looks especially positive compared with the relative chaos that has followed this year's wage negotiations tiations in neighbouring Sweden, Finland's most importinternational competitiveness, because the process of lowering for Finland's 1.8m wage and long. salary extress, the national labour market negotiators agreed the lowest basic wage

rises since 1962. The package is based on a general increase of 3.2 per cent plus a low wage grant of 0.4 per cent effective from March 1984, followed by

According to figures from the to the West in 1985.

# on EEC exports to go DEVELOPMENT OF the Fir-

1984

**Tariffs** 

nish economy has been marked by a rapid opening to markets by a rapid opening to markets in both East and West, moves formalised by the country's membership of the European Free Trade Association (EFTA), its free trade agreement with the European Community and its free trade agreements with the Comecon countries.

This year marks a key phase in the dismantling of tariff bar-riers with the final removal of on Finnish goods entering the EEC as from January I. Finland has agreed to remove the rest of its tariffs on EEC exports from the end

Its growing participation in international trade has meant that the share of exports in GDP (gross domestic product) has jumped from 15-20 per cent in the 1950s to more than a third in the early 1960s. More than half of Finnish ex-

ports are still large scale mass products including the bulk of forest industry products, most

Trade

KEYIN DONE

chemicals and base metal products. The remainder are dominated by the engineering sector including special ships, and clothing and textiles. In 1983 the forest industry accounted for just under 38 per cent of Finnish exports, followed by the engineering and metal industry with just under 38 per cent. with just under 36 per cent. Chemicals accounted for 12.3

per cent. Western Europe in the shape of the EEC and EFTA countries is Finland's main market, taking 54 per cent of the country's exports in 1983. Comecon countries accounted Comecon countries accounted for 28 per cent of Finnish exports, and the Soviet Union alone is Finiand's meet important trading partner taiding fully 26 per cent of its exports last year. Its Western neighbour Sweden is the second-largest of all trading partners.

The bilateral trade with the Soviet Union has been an invaluable prop to the sconomy

Soviet Union has been an invaluable prop to the economy boosting the growth of industrial output especially in the recent years of rising oil prices, when Western markets were in serious decline. The share of the Soviet Union in Finland's exports has grown rapidly since the mid-1970s rising to almost 30 per cent in 1982. After depending virtually exclusively on higher domestic demand to buoy up activity in 1982—achieved through expansionary fiscal and monetary policies at variance with most other

The trade exchange with the Soviet Union is dominated by energy imports, with Finland mooting 55 per cent of its crude oil needs from that one source. Overall, the trade belance showed a deficit of FMF 2.45bn last ware white gardiens prohalf of 1983.

Exports to the West are expected to grow by at least compensating for lower deliveries to the Soviet Union, Total exports could grow by an interpretable of the soviet of the soviet of the soviet union, the soviet of the soviet union of the soviet unio

tions. The surplus in the shible and invisible trade account of FMK 1bn compared with a surplus of FMK 1.2bn in 1932 and as 6 per cent in volume this year, and the Government FMK 3,500 in 1981.

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### **KEKE ROSBERG**

The International Finn. Formula I Driver, born 1948. First caught the racing bug

at his father's motor dub. Began with go-karts and

Formula K: took the Finnish Championship at the age of 18. Switched to Formula Vee in 1972 and made himself Euro-

Swedish championships along Turned professional in 1974 and moved into the Super Vee class. The result: seven straight wins, second and third places

pean Champion within a year,

picking up the Finnish and

in two other races. Made the jump to the big league in 1978 – to Formula I. Finished tenth in 1980 Driv-

ers' Championship.

Keke won his first Grand Prix at Dijon in 1982, was runner-up at Long Beach, Zolder and Osterreichring, third at Zandvoort, Diepholz and Hockenheim.

Keke thus became the 1982 Formula I World Champion.

Won the Monaco Grand Prix in 1983 and was bestplaced non-turbo driver - fifth overall.

the International Finn.

Keke Rosberg.



### **NESTE OY**

The Finnish International. Oil Company,

born 1948. Was established to secure Finland's supply of oil prod-

Expanded from oil refining to petrochemical production. using refinery products as feedstock.

is much more today than iust an oil and petrochemical company. Neste's activities include crude oil and oil trading as well as import and distribution of natural gas and trading in coal.

The Neste fleet is equally at home shipping gas and chemicals, crude oil or oil products.

Neste has a fully-fledged battery manufacturing industry, with plants in several countries.

All company operations are supported by expertise in the engineering and R & D fields.

Today's Neste has worldwide operations. The company produces and sells energy products in Northern and Western Europe, but its commercial activities also extend to many other areas of the giobe.

the Finnish International.

# NESTE **Energy & Chemicals & Shipping**

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# Profits hit by rates in money market

A COMPLETE change has taken place in the Finnish banking cavironment over the past few years, partly because foreign banks were allowed to set up in Finland in 1982, but more in adopt a more forceful approach. He even appears in the control of the past few tributed to Mr Lassila's decision to adopt a more forceful approach. He even appears in the control of the past few tributed to Mr Lassila's decision to adopt a more forceful approach. He even appears in the control of the past few tributed to Mr Lassila's decision to adopt a more forceful approach. He even appears in the control of the past few tributed to Mr Lassila's decision to adopt a more forceful approach. especially because the Bank of Finland (the central bank) has pursued a gradual process of pursued a gradual process of de-regulation, involving among other things the establishment for the first time of a properly functioning money market. "In the old, regulated days, anyone could make money. Now you have to earn it," said Mr lipo Santala, general manager at Postipankil, the state-owned bank which is Finland's third largest.

Last year the banking scene was also enlivened by the appointment of Mr Jaako Lassila as chief general manager of Kansalis-Osaka-Pankki (KOP). He brought a new style to KOP and a more forceful approach to domestic banking. "He seems to be doing the same thing as the Bank of Finland. introducing more competition," said one Finnish banker. "But what we are all waiting to see is who will benefit." He noted, with an undeniable touch of schadenfreude, that KOP lost market shares (of deposits) last year. KOP's great rival, Union Bank, under the less-flamboyant Mr Mika Tiivola, noted a smali market gain.

Mr Lassila made a particularly provocative gesture to-wards Union Bank in January when he announced a big new share issue. KOP had already made an issue in September, and it was tacitly assumed that the spring would be left open for Union Bank. As it was, Union Bank duly made a major issue and the market has absorbed them both without

KOP and Union Bank, with parent bank balance sheet totals of just under FM 42bn each at the end of last year, are by far the biggest of the banks, followed by Postipankki, FM 24bn, Bank of Helsinki, FM 7bn, and Oko Bank, the central bank for 370 co-opera-tive banks, and Skopbank, the central bank for 270 savings

The two big banks, however, have suffered a loss of market shares over the past few years, with Postipankki building up business in the corporate sector and the co-operative and savings

better control of costs.

In step with the rapid industry the Finnish banks are with Postipankki building up business in the corporate sector and the co-operative and savings

better control of costs.

In step with the rapid industry vided a significent new of competition to the past few years, also internationalising fast.

Last year was eventful with Harald summed up his representation.

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to adopt a more forceful approach. He even appears in person in a television commer-cial assuring a worried house-holder that no one is better than KOP at taking care of his

"The commercial banks have concentrated on building up their international business in

> Banking HILARY BARNES

recent years, but now they have realised that the need to build up their domestic deposit busi-ness again," said Mr Matti Liukkonen at Oko Bank.

The banks felt the pressure of the Bank of Finland's tight monetary policies last year, and it has not become any easier this year so far.

The basic (discount) rate was raised from 81 to 91 per cent in June last year and the bank's cash reserve deposits with the Bank of Finland were successively increased, rising to 5.6

per cent in May this year. The interaction between cash deposits and the money market, which interest rates rose sharply last year, hits the banks where it hurts most, in their profits KOP, Union Bank, Bank of Helsinki, Oko Bank and Skopbank all saw their operating profits diminish last year (from a very high level in 1982,

Only Postipankki — whose involvement in the Post Office Giro system forces it to pursue a conservative liquidity policy and to avoid big positions in the money market — came out ahead, with profits after depreciation rising from FM 259m to FM 412m, puttting it exceptionally, ahead of Union Bank's FM 328m and KOP's FM 238m. Union Bank came out ahead KOP both because it has a better revenue record and

better control of costs.

reasing its share at the expense of the other Nordic shareholders. Copenhagen Handelsbank, Svenska Handelsbanken and Den Norske Credithank with an option to acquire the investments of the other shareholders at a later stage. stage.

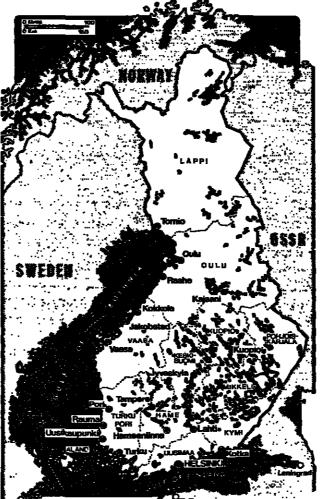
Union Bank has adopted a Union Bank has adopted a slightly different approach. It has increased its share in Scandinavian Bank to 23.6 percent, but it is also setting up a wholly-owned subsidiary in London. "We see these as being complementary," said Mr Bo Harald, of Union Bank's international division. He does not see a break with Scandinavian see a break with Scandinavian Bank, even in the longer term.

"Scandinavian Bank gives us a presence in places where we could not otherwise afford to be. It is also a high-powered bank offering services from which we can benefit. But we think we can improve our effec tiveness with our own presence in London as well," he said.

Union Bank will also become the first Finnish bank to raise equity capital in the inter-It is authorised to raise up to FM 250m nominal in share capital abroad, but has not yet decided on either the amount,

Three foreign banks set up in Helsinki in 1982, Citibank, Chase Manhattan and Indo-Suez. Cktibank, which had a representative office in Helsinki from 1977, made FM 2.2m profit last year, its first full year, while the other two made small losses. Both are satisfied with the way business is developing, however, and are confident of coming out with a profit this year, ahead of the forecast they made on setting up.
The Finnish banks were not

very welcoming when the foreigners first announced their arrival, but have accepted their Finnish system of capital taxes presence. Although the foreign — and perhaps to some extent banks have only a tmy share as well by the obscurity of Finbanks have only a tiny share of the market, they are very competitive in many specialist services in connection with foreign business and have pro-vided a significent new element of competition to the market. "Stimulating" was how Bo Harald summed up his reaction



# Independent institution

THE BANK OF FINLAND has a very special and influential proposals. The supervisory position in Finnish life. Constitutionally, it is controlled by Parliament and it is not, as many central banks are, controlled directly or indirectly by the Government or the Ministry of Finance.

"It has been said that we are the most independent central bank in the world, and it is because we are under Parliament and not the Finance (Ministry that we have this independence," Mr Rolf Kullberg, who was appointed governor last year, observes.

"A unique feature of our system is that the Central Bank does not give credit to the government, except occasional short-term credits.

"The government needs money all the time, but it has to finance it through the market or by foreign borrowing. This acts as a brake on government spending, and although there is quite a large government deficit today, it might have been much larger," Mr Kullberg says. The bank's controlling board of 19 members is appointed by the parliament and it reflects the party composition of the

This supervisory board fixes the basic (discount) interest rate—now 91 per cent—and it on exchange rate the commercial and savings but on a recommenda- banks, has become the bank's changes, but on a recommenda-

proposals.

The board of management, chaired by the governor, is also responsible for monetary and credit control policies, although its freedom of action is obviously curtailed by the structure and history of the capital

**Central Bank** 

HILARY BARNES

Its ability to change interest rates, for example, is restricted by the fact that yields on bank deposits are tax-exempt, and as such are the main vehicle for household savings in Finland. But the tax-exempt status has made it necessary to regulate interest rates in this sector. Over the past five or six years the Bank of Finland has grad-ually introduced a major reform of capital markets, enabling it, among other things, to increase

the flexibility of interest rates, by the creation of a Central Bank call money market. This, together with a system of cash deposits at the Central Bank for

The development of the call money market facilitated a parallel development of a shortterm money market based on corporate deposits.

Interest rates in the call money market have varied sub-stantially, but last year peaked at 18 per cent before being brought down to a current level of 164 per cent. Since the spring of 1983, the banks have been permitted to pass on 60 per cent of the cost of raising money in the call money market on other lending, where the interest rates are regulated. This has had the effect of adding about a half percentage point to average lending rates for new loans.

In the mid-1970s, when the current balance of payments deficit at one point soared to some eight per cent of GDP, the Bank of Finland adopted an unusual policy approach, based on the premise that a country cannot run a current account deficit if the deficit is not financed, and used its powers to control capital imports to implement the policy, which was successful in eliminating the deficit.

The bank can therefore claim a major share in stabilising the economy at this period, and in the subsequent success of economic policy. "We are very happy with what we did in the 1970s," Mr Kullberg reports,

changes, but on a recommendation from the board of management, either accepting or ment, either accepting or credit expansion.

banks, has become the bank's monetarist, as that word is usually understood, but since then, and perhaps especially under Mr Kullberg, the bank has become the bank's policy was not monetarist, as that word is usually understood, but since then, and perhaps especially under Mr Kullberg, the bank has become the bank's policy was not monetarist. has become increasingly monetarist in its approach.

The bank used to try to operate a counter-cyclical monetary policy, but has found that it is not really possible

be rather hard in order to keep the banks in your hands all the time. It is dangerous to ease policy, Even when business is

market is to approach the market is to approach that it is market first," he said.

A crucial factor limiting the growth of the market is the wealth tax system, for purposes the market is the wealth tax system, for purposes the market is the wealth tax system, for purposes the market is the wealth tax system, for purposes the market is the wealth tax system, for purposes the market is the government," he observes.

But this is not the commitment to monetarist orthodoxy which it might seem at first the mig

wealth tax system, for purposes of which the shares of listed ment to monetarist orthodoxy companies are valued at market price, while the shares of non-sight. "It is unreasonable to

# Capital taxes hinder growth

Stock Market HILARY BARNES

AFTER a period of almost complete stagnation between 1973 and 1980, the Finnish share market has come to life in the past couple of years, although it is still small and primitive and its growth con-tinues to be hindered by the nish corporate financial state-

The number of Finns owning shares has increased over two years from about 250,000 to almost a half million, which is explained by a substantial increase in the amount of divi-dends which can be earned and remain tax-exempt. The current limit is FM 1,900, which for a family of four adds up to

a useful FM 7,200.

A substantial foreign interest in Finland has emerged as well, partly because investors noted that price-earnings ratios for Finnish shares were low and there was a useful profit to be made by those who jumped into the market first and brought

1983 the figure was FM 544m.

This included share issues in Stockholm by Kone, Wartsilä and Nokia, a FM 165m private on the Helsinki Bourse, the never be easy. It should always placement by Finnish Sugar and a FM 101m issue in New York by Instrumentarium, the fast-growing medical equipment company.

The 1983 figure will easily

be exceeded this year. Wartsilä has just placed FM 200m in London. Amer Tupakka (tobacco and other products). with a FM 90m issue, insurance company Pohola, FM 300m, and Union Bank, which could raise up to FM 400m, are among the other companies making issues

market is thin, which is a discouraging factor for foreign investors, But, said Mr Niemi, for investors to be scared off by the lack of liquidity in the slack.

came from both domestic and foreign factors, which contributed to a 38 per cent increase of 42 per cent in 1983 and a further increase in the

and Roll.



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### FINLAND 4

### Here and on the next pages correspondents examine a number of Finland's major industries

FINNISH INDUSTRY was a late About half of manufactur- engineering industry is cur- and textiles and special vessels behind its international considereloper, but it has rapidly ing output is exported and the rently the largest industrial such as ice-breakers and cruise petitors. made up for lost time and succeeded in clearly outpacing the growth in most other indus-trialised countries.

The growth rate of Finnish industrial production averaged 3.5 per cent during the 10 years to 1983 compared with an OECD average of 22 per cent and its international performance in terms of the growth of pro-ductivity and profitability has been equally impressive. In contrast to most other

Western industrial countries, Finnish industry's contribution employment has

industry is highly dependent on added and the number of foreign trade and changes in employees. The metal and international demand. During engineering branch provides 31 the last 10-15 years Finland's export trade has concentrated on products and markets where growth has been slower than the average for the world market, but despite this the country has expanded its market shares. allowing a still-rapid rise in

The manufacturing sector has undergone profound structural change with a shift away from to the gross domestic product change with a shift away from has continued to increase and the forest-based industries towards metal and engineering

Employment

115

110

100

by Wartsila.

of Fininsh branch in terms of both value- vessels. per cent of value-added and the forest industry 24 per cent, but industrial employee since 1960. the forest industry's export per- its belated industrialisation and formance is still dominant.

> A process of specialisation has helped industries such as ship-building, steel and textiles to avoid some of the most severe problems evident in many other countries. Finnish industry has developed particular expertise in sectors such as forest machinery, metallurgy and min-ing machinery, fashion clothes

> > Finland

Finland's industry is still doubled its investment per the massive basic investment programme that this process has required means that the country's stock of machinery and equipment is still exceptionally yours.

For the future, increasing funds will have to be devoted to investment in research and development, an area in which

**MANUFACTURING INDUSTRY** 

Basic industires have played a big role in the development labour-intensive by interna- of Finland's industry, but more engineering branch provides 31 tional standards, but it has and more the country is undergoing the transition from such increasingly capital-intensive operations to more highly-

processed products. As part of the process of structural change Finnish industry is also riding a wave of internationalisation. To ensure competitiveness and above all to improve market position Finnish companies are increas-ingly establishing marketing and production units abroad.

# Steady flow of Russian orders

Shipbuilding

ANDREW FISHER

IN AN INDUSTRY racked by crisis for several years, Finnish most in Europe. They have survived by producing a range of ships which includes types less subject to stiff Far Eastern competition than standard cargo vessels, and so built an enviable niche in the world industry.

A steady flow of Russian orders is one major reason for Finland's success in shipbuildof Soviet orders totalling some FM 2.8bn (nearly £350m) has proved timely for some yards with thinning order books.

Ice-strengthened vessels and pecial ice-breakers are one of the mainstays of the Finnish industry, with the Soviet Union the main customer. The orders are placed as part of the fiveyear Soviet plans — the latest anticipate the next one starting in 1986 — and ensure a steady flow of revenues over several

Cruise ships are the other vessel for which Finnish yards, especially that of Wartsila in Helsinki, are well known. This autumn Wartsila will deliver the \$150m Royal Princess to P & O

U.S., holidaymakers. Cruise ships come in all sizes and prices. Even more luxurious than the Royal Princess will be, though a good deal smaller, is the Sea Goddess, recently completed at a cost of \$34m for Norske Cruise. The company is also having a second ship built

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The Sea Goddess is more like a big luxury yacht than a conventional cruise ship, and the idea of building and sailing it for "intimate" cruises is a new one for the industry. It remains to be seen how well the idea to be seen how well the idea will catch on, though the first of the two vessels has been heavily booked for this year.

Wartsila, which has staked a big claim in the future of the cruise ship industry, reckons there is plenty of potential for future orders. But there are rival yards in Scandinavia, France, West Germany and elsewhere which are keen to obtain such business.

is building right at the most Cruises as the latest in a specialised end of the world The company recognises that long line of cruise vessels built market. A nuclear-powered ice-shipbuilding is not the most for affluent Western, mostly breaker could well be part of promising of industries to be in

the next batch of Soviet orders, though the power plant would be installed in the Soviet Union. A large number of Wartsila's

ъ.

orders are for prototypes. It has just won an order for an advanced ice-breaker for use by the Finnish Board of Navigation. The new P & O cruise ship, to operate mainly from the U.S. West Coast, will be the first to have all its cabins facing the water.

The success in building cruise vessels extends to passenger ferries as well. The sight in Helsinki harbour, with its low skyline, of the massive ships which ply to Sweden and Germany is awesome, especially when the water is covered with

broken ice in winter.
But for all its success in ship-building and its high world reputation, Wartsila is keen to rival yards in Scandinavia, expand its existing interests in France, West Germany and elsewhere which are keen to obtain such business.

With its cruise and icestrengthened vessels, Wartsila is looking for new international is huilding right at the most sales markets. sales markets.

these days, even though its high level of specialisation protects it from many of the ravages of the market.

75

1973 '74

Last year, it even accepted an order for two ferries for a domestic shipowner at a lower than usual price to stop them from going to the Japanese. At a time of tough world shipbuilding markets, it is determined

The industry employs about 17,000 people in Finland, about 1,000 fewer than at the start of 1983. Apart from Wartsla, the other main yards are owned by Valmet and Rauma-Repola. It is the latter two which have obtained the largest Soviet orders this spring, though Wartsila undoubtedly will secure more over the next year or so. Valmet's orders in April from Sudoimport, the Soviet foreign trade organisation, for five multi-purpose cargo ships for Arctic use, was worth FM 1.5bn

Rauma-Repola won a near FM 1bn contract from Russia to build nine ships - five small oil product tankers for Arctic use, two salvage tugs, and two

and was its biggest ever single

special ships for sea-bed chart-ing. Wartsila's order was for two Siberian river dredgers worth FM 300m

Work on the Rauma-Repola ships alone will require 1,600 man-years, the company said. But it made clear that it still urgently needed new orders to secure longer-term employment at its yards.

at its yards.

The Finnish shipbuilding order book was worth about FM 8hn at the end of the first quarter of this year, during which eight ships totalling 85,000 gross registered tons had been delivered and three totalling at 1000 tress had been delivered and three totalling. ling 45,000 tons had been

The subsequent Soviet and other orders — Valmet won a contract for FM 290m to build a ferry for a Finnish operator — have filled up much of the capacity at the yards. But the more sophisticated the ships, the more planning and preparation is involved. Thus work on some of the Soviet ships will not start until autumn. Even in its own well developed and specialised niche, Finland's shipbuilding industry has its problems.

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turn

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The Valmet yard in Helsinki. Finland's expertise in building specialist ships has helped to keep its yards in work

PROFILE: NESTE

### new acquisitions Spree of

NESTE, FINLAND'S national oil company and the country's largest industrial corporation in terms of turnover, has embarked on a spree of foreign and domestic acquisi-tions to improve its market position and reduce its depen-dence on the shrinking demestic all market domestic oil market,

Its biggest purchase to date was completed a few weeks ago with the takeover of Unifos, the Swedish polyethylene producer, from its joint owners KemaNobel, the Swedish chemicals group and Union Carbide of the U.S. The deal, thought to have cost Neste about FM 500m, will make it one of the largest polyethylene producers in Europe with an annual production capacity of about 600,000 tonnes.

Through the acquisition it will enter two new sectors of the plastic materials market high-density and linear low polycthylene—and it has clearly become the dominant producer of plastics in the Nordic region with interests too in PVC and polystyrene

With the purchase of a number of smaller companies in both Finland and Sweden, Neste has also been gradually widening its interests in plastics processing. It has bought up a Finnish poly-styrene producer and also the Swedish company Beolit Plast, which uses polystyrene as a raw material in the manufac-

ture of insulating materials. Although youch of the recent acquisition activity has been in the chemicals sector, which last year had sales of FM 1.6bn, these operations are still dwarfed by Neste's oil activities.

The company, founded in 1948, was built up around oil refining. It still has by far the biggest refinery capacity in northern Europe - 12m tonnes a year—but in recent years developments in the world oil market have forced it to seek to expand into a mon: traditionally organised integrated oil group with integrates in all stages, from exploration and production to distribution and trading.

quul

Neste group sales last year totalled FM 23.7bn compared with FM 17.5on in 1982, but the big jump chiefly reflects the group's move into inter-national oil trading in both crude oil and oil products. It has established new trading operations in both London and New York and the company's involvement in trading and exchange deals jumped to FM 6.4bn in 1983 from only FM 2.2bn a year earlier.

Neste is Finland's only refiner of crude oil and as such plays a central role in the country's bilateral trade with the Soviet Union. About 85

per cent of the USSR's exports to Finland consist of energy and the lion's share of this es in the form of crude oil. Last year Neste imported 9.6m tonnes of crude oil for its own refining processes of which fully 85 per cent came

from the Soviet Union.
In addition it has been trading since 1982 1-1.5m tonnes of "third-party" crude a year for the Soviet Union. The crude oil, chiefly from Libya, has been sold on to Neste by the USSR to help balance its high level of payments for Finnish imports. Neste also handles natural

gas imports from the Soviet Union and it is currently in-volved in the early stages of a FM 900m project aimed at increasing imports of Soviet natural gas from the present level of 800m enbic metres a year to about 2.5bn cubic metres a year by the end of the 1990s.

Neste has its main operations in oil and chemicals and related shipping activities, but it has also been expand-ing its less well-known involvement in the manufacture of batteries. Through a series of acquisitions it now has production plants in five countries. Finland, Denmark, Sweden Austria and Greece.

Its latest purchase, of Lyac in Denmark, is seen as an essential step in safeguarding its position as Scandina-vian's leading manufacturer of lead accumulators.



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# A struggle to escape clutches of recession

Engineering DAYID BROWN

FINLAND'S metal and engin-eering industry, which has become the economy's single largest industrial sector by quadrupling its production volume since 1960, is now strug-gling to life itself out of gling to lift itself out of a

Domestic and foreign order process engineering a books have been thin capa- for the forest sector. So that utilisation is low, and production and investment is flat.

Demand is expected to rise only slowly this year.

About half of total production — or FMk 25bn last year under a highly-successful and — was sold abroad. The metal expanding 50-50 joint venture. — was sold abroad. The metal and engineering sector accounts for some 36 per cent of Fin-land's total exports, and employs 35 per cent of its work-force, or 200,000 people.

Sales to the Eastern bloc -Sales to the Eastern bloc — consisting mainly of ships and heavy engineering to the Soviet Union — make up an important but fluctuating part of the total. Deliveries can be expected to decline sharply this year from a 42 per cent to a 32 per cent share of total a 33 per cent share of total

At the same time, the industry forecasts export volume to Western Europe (excluding ships) will advance by some 13 per cent this year and perhaps 18 per cent in 1985. In price terms, the total increase would be to FMk 28bn this year, and to FMk 30bn in 1985. Strong officials say, and will ultimately peak at 8,500 units. hopes are pinned on Sweden, which is the industry's single largest Western export market,

which is the industry's single largest Western export market, and where industrial investment is expected to pick up much faster this year.

Beside ships, the biggest export sectors include forest, agricultural and other machinery where of agricultural machinery where of agricultural machinery with a special continuous maker of agricultural machinery with the street of the stre cultural and other machinery maker of agricultural machinery (FMk 5.7bn), metals (FMk with a special combine harbon), and electrical engineering products including electronics and telecommunications equipment (FMk 2bn) and telecommunications equipment (FMk 2bn).

ment (FMk 3bn).

Over the past two decades, some 30 per cent of the world's total forest machinery deliveries have come from Finland, where many producers also have close links with or are directly involved in forest in its major markets, as was its Swedish competitor Atlas Copco. The group, which started with sales of FMk 5m in 1960, had

in (

products exports. The leading group for pulp and paper machinery is TVW The a sales wartsila), formed as a joint a turn stock venture by the three indistricts.

and equipment for stock pre-paration. Valmet covers paper machines, pulp washers and dryers, and process control equipment. Wartsila's equipment. Wartsila's strength exchange (the other two are is in finishing equipment including coaters, calendars and winders.

winders.

Demand for machinery has more problematic—particularly in non-ferrous metals (mainly been sluggish, but industry copper) where a number of leaders see more promising mines will be shut down and times ahead. "We expect the where domestic deposits are higher profits and production in

### range of quality vestments starting late this year and gathering pace in 1985," says Mr Otto Freund, director exports

Wide

Valmet has acquired a con-VISITORS ARE sometimes trolling interest in Dominion Engineering Works in Canada, while Wartsila has taken over surprised to discover that we have an electronics industry at this latitude," observes an executive at Nokia, Finland's U.S.-based Appleton Machine Company.

A. Ahlström, a major forest group outside the TVW pact, specialises in fine paper machines and in specialised largest privately-owned com-

Another highly successful

specialty area is agricultural

tractors and harvesters. Valmet

(which is a state-owned com-

pany) is now producing tractors on its own after many years of

joint production with Volvo. A

Valmet's Brazilian manufac-

annual production from 1,900 to 2,400 units this year, the com-

Tamrock, the manufacturer of hydraulic rock drilling and con-

struction equipment, has been severely hit by the recession

a turnover of FMk 357m last

pany says.

Among the 50 or so companies which are members of the Finnish association of electrical and electronic industries process engineering equipment for the forest sector. Sales were are Salora, which produces some of the most advanced television In passenger cars, Valmet is producing and marketing a range of vehicles bearing the sets on sale in Europe today; Mobisa, the Nordic market leader in mobile telephones (and this is a field in which Saab Scania and Talbot badges the Northics are ahead of the rest of the world); Vaisala, which has carved out a niche for itself as a leading producer of meteorological measuring instruments; and A. Ahlstrom, The group has announced it will soon expand production from the present 35,000 units to 40,000, and will produce the Cabriolet version of the popular and the state-owned Value well-known companies in the field of automatic process con-Turbo model which was recently shown in Frankfurt.

irol equipment for the forest industries. With its highly developed infra-structure, a stable and well-educated labour force, Finland is, in fact, a fertile area for the development of an elec-

tronics industry.

Its relatively high labour costs are no drawback, either. The labour input in high-tech electronics is now so small that labour costs. year after introduction of the latest-generation "nordic tractor" — which is still marketed under the name Volvo-Valmet in Scandinavia labour costs are not a factor having a major effect on com-petition, Nokia Electronic's vice-president Helkki Keränen 1983 sales reached 5,500 units. Production is expected to expand 40 per cent this year,

The electro-technical industries account for about 12 per cent of the exports of the metals and engineering industry (which in turn accounts for 36 per cent of total merchandise exports) and about 18 per cent of the value-added in the engineering industry. It employs about \$4,000 people who were responsible last year for conditions. Through a new agreement with Massey-Ferguson, it will boost its output valued gross at about FM 7.5bn. Over the past year or two.

the electronics industry has be-

### **Electronics**

HILARY BARNES

come increasingly identified with Nokia, which in addition vidual companies in 1976 to coordinate production and marketing.

Tampella specialises in board

In spite of the recession,
to its own long-standing involvement in the cables and electrical
engineering business acquired
the majority shareholding in Mobins in 1982 and in Salors with effect from the beginning of this year. The deal with Salora was part of a package which included Nokia's acquisition of the Swedish television and small computer manufac

turer, Luxor.
These acquisitions will increase Nokia's turnover in electronics from about FM 1.4bn last year to FM 3.6bn in 1984, making Nokia the second largest producer of electronic products in the Nordic area expected to run out by the end after L. M. Ericsson, of Sweden. Nokia, with a forecast 1984 turnover of about FM 9.9bn in operations ranging from cables and electronics to the forest industries, engineering, rubber, chemicals and plastics, moved the electronics division to the top of its organisation chart in the 1983 annual report to employed the chart in the top of the chart in the season annual report to employ the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the chart in the season to the seaso the 1983 annual report to em-phasise that this is now the biggest and fastest growing

> Nokia's electronics production spans a wide range, from indus-trial process control equipment to digital transmission and switching equipment, office in-formation systems, point-of-sale systems and computers to television sets and computers to tele-vision sets and mobile phones. Among Nokia's strengths are its terminals, which it supplies to many of the best-known

> names in computer manufacturing, and modems (for conver-sion of digitalised data to voice and vice-versa), with at least half a dozen European countries using them in the public telephone systems. In April Nokia Data and Nor-

thern Telecom announced an agreement to co-operate by which Nokia terminals and personal computers will be used in North-ern Telecom office information systems marketed in Europe, another feather in Nokia's bat. Despite the diversity of Nokias production, the aim is specialisation. Nokia modems compete in a narrow field, which is too small for the biggest manufacturers to take much interest. Nokia PCs will be used chiefly for achieving specialist

solutions and not for developing volume sale. The same applies at Salora. "We try to produce a single good product. We use a rifle, not shot-gun, in our marketing strategy," says man tor Anti Lagerroos. says managing direc

"We always use the newest technology," he adds. In the case of Salora's best-known product. its colour television sets, this means that they are equipped for satellite reception. and computer link-up. They also Roughly two-thirds of AGCF are valued at FM 2bn. Libya is exports went to the Soviet Union in 1983, and a quarter to the Arab countries. Surprisingly, there were three projects in Sweden and two in Norway, but the contract total was shown that there were makelingly and the contract applicable and a part of the contract total was shown whether the lowest energy and the contract applicable and a part of the contract total was shown whether the lowest energy and the contract applicable areas. focus tube which automatically adjusts to the light conditions in the room—the latitude not

# Intensive effort and rapid advances

NOKIA, the fast-growing Finnish engineering group, is company has been able to locate nations, they have enjoyed
planning to move its headthe all-important development neither international aid nor
quarters a few miles from the of computer software as far significant state aid other than NOKIA, the fast-growing Finone engineer responsibility for designing an "information paradise;" an electronic nervecentre for the 27,000 employee group, Finland's second-biggest company after Neste, the state-

owned oil company.

The technology, moreover, will be Finnish. Last autumn Nokia began to distribute personal computers of its own design to company executives. A digital switching technology called the DS 200, developed by Telenokia, will knit the communications together,

Finland already claims to have one of the most highly digitised telephone systems in the world. Mr Timo Roski, vicepresident of Nokia Electronics elieves that the company can go far towards reconciling the traditional Finnish love for the countryside with the day-to-day needs of an international engineering group, by using electronics to unify a highly distributed effort.

He points to the way his own quarters a few miles from the of computer software as far centre of Helsinki. It has given away as Oulu, in the north-west,

Mr Koski, a Finn who has recently been wooed back to his homeland from Siemens in West Germany to play a key role in Nokia's own transition from a highly diversified industrial group to one strongly identified with advanced electronics, says foreigners find it hard to believe that Finland has advanced-technology products such as the personal computer.

Yet the company has just signed a contract with the Canadian electronics group, Northern Telecom, which will double its production by open-ing the North American market. It expects to make 10,000-15,000 microcomputers this year. Finns are proud of the speed with which they are transform-ing an agricultural economy,

badly run-down after the second world war, into an industrial economy competitive in world

They point to the two new nuclear reactors at Lovissa which, despite the prominence

High technology

DAYID RISHLOCK

with which the USSR proclaims its involvement, were joint ventures with the Finns supplying vital control, safety and training features while their partners focused on the heavy

world war, into an industrial fluidised-bed combustion for economy competitive in world steam-raising. It developed its narkets. Pyroflow technology to consume They also point out that, low-grade fuels such as peat and

its own and other Finnish factories, Ahistrom executives say, they are preparing to pitch at those markets with the most

German boilermakers.

forest wastes in a country wee-fully short of indigenous responsible for R and D or for energy.

So successful has it proved in the successful has it proved in exacting standards on powerplant emission control, such as
North America, and for such
fuels as high-sulphur coals and
cokes.

They have recently set up a

They have recently set up a

The control of the company and the

subsidiary, Pyropower, in California, to develop and market finnish industry can keep in fluidised-bed combustion in competition with U.S. and West the country is by bringing students to wraph in for leabure. erman boilermakers. students to work in its labora-No coherent research and tories, for example in preparadevelopment base can be tion for a higher degree.

credited with this rapid rational advance into industry, although the State Research overseas, except from Nordic

engineering.

Ahlstrom, another diversified Finnish engineering group with roots—like Nokia—in forest products, is making an international impact as market result of the acquisitions which leader in the technology of findised-bed combustion for steam-raising. It developed its Pyroflow technology to consume low-grade fuels such as peat and sitting the played some competition with Swedish groups such as Ericsson expanding the Finnish subsidiaries. Nokia itself, largely as a lightest ing their Finnish subsidiaries. Nokia itself, largely as a lightest ing their Finnish subsidiaries. It developed its of into a group with one-third of its setting up subsidiaries where activity in electronics, claims to the skill is more plentiful, for example in Britain in the case industrial R and D. Yet it has

PROFILE: KONE CORPORATION

### Family-owned company continues to turn in a profit

KONE CORPORATION COMprising the parent company Kone Oy and more than 50 per cent owned subsidiaries, is possibly the only true Fin-nish multi-national corpora-tion according to any of the generally applied criteria. It is listed on both the Helsinki and Stockholm stock exchanges, Yet it is still a family-owned company. The Herlin family have over 70 per cent of the share stock. In 1918, Kone produced five lifts and four cranes; in 1983, Kone's lifts group backed net sales of FM 1,91bn (\$327.5m), 48.7 per cent of the corpora-tion's turnover. Sales of the

materials handling equipment

group, which includes cranes, came to FM 1.04bn (\$178.3m). These are the two biggest groups in Kone Corporation. Relative newcomers are the marine technology (cargo access equipment, ramps, hatch covers, gates and car decks) and the instruments (clinical laboratory computertenness and monitoring systems) groups, with turnovers of \$119.3m and \$27.1m, respectively. An "other products" group had net sales totalling \$21m.

Kone Corporation appar ently has no use for red ink. Through depressions and re-cessions it continues to turn

in a profit. The 1983 result was not earnings of FM 160m on a turnover of FM 3.93bn. The corporation's multi-national status can be seen from the fact that its sales in Finland totalled only FM 652.3m, while sales outside the home country came to FM 3.28bn. Its payroll total in 1983 was 13,390, of which only 4,710 were employed in

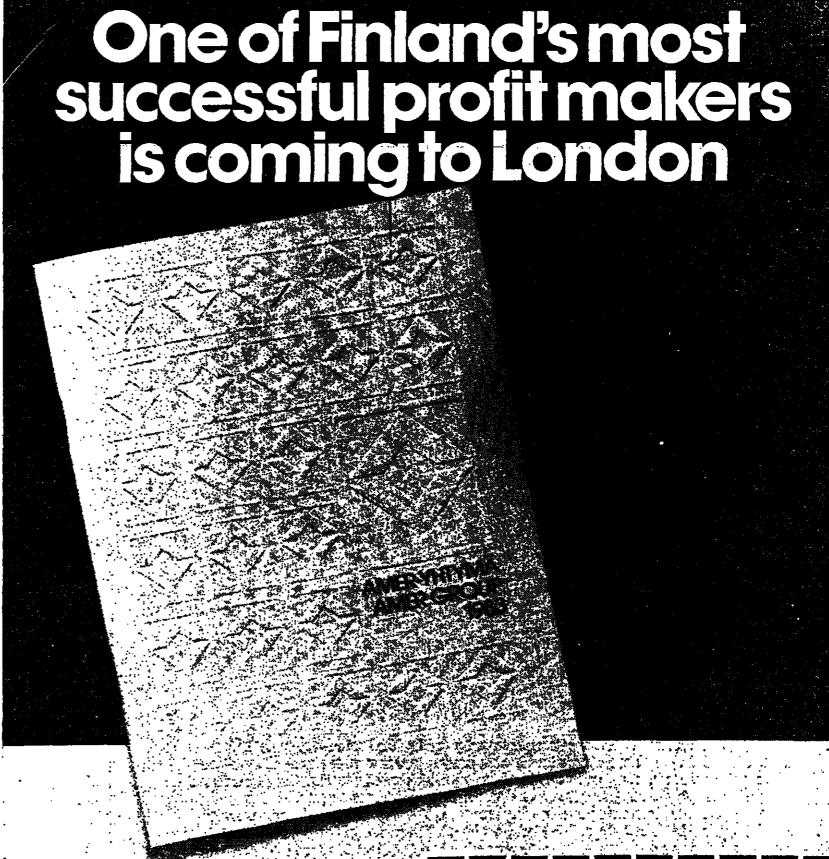
Mr Pekka Herlin, Kone's president and chief executive, a farmer by choice but one of Finland's most prominent businessmen by family tradition, states in his foreword to the 1983 annual report: "A hidebound and hesitant attitude to the adoption of the latest methods of operation and technological advance in the world we live in can only prove fatal."

For Kone, acquisitions have long been an integral part of corporate growth strategy. It has acquired production plants in Austria, Belgium, Brazil, Britain, Finland, France, West Germany, Norway, Sweden and, most re-cently, the U.S. In all, it has 18 subsidiaries and eight joint ventures or minority interests, plus 12 regional offices in 35 countries world-

Lately, it has been focusing on the American market, Last

year, it took over MacGregor Holding S.A., a leading world-wide group in the marine cargo access equipment sector. This and the acquisition of two other American companies almost doubled the U.S. share of the company's operations in 1983.

**Burdick Corporation in Wis**consin, which manufacturers and markets health care equipment, was merged with Kone. At the end of 1983, Kone bought the materials handling division of Robbins and Myers in Ohio. These and other acquisitions accounted for about a half of the 23.7 per cent increase in Kone Corporation's sales in 1983.



There are loss makers and profit makers, and Amer has an impressive track record of making profits.

Having become dominant in the domestic market, Amer is now looking to the international markets for expansion. To this end, it intends seeking a listing on The Stock Exchange in London.

For a company whose turnover has more than doubled in the last 5 years, and whose profits have risen by more than 35% per annum in the same period, this is a logical step.

of Amer, the 1983 Report will make essential reading.

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Please send me a copy of your 1983 Annual Report



AMER GROUP LTD

World sales for turnkey projects

Construction exports ANDREW FISHER

CONSTRUCTION EXPORTS are not listed in any official trade statistics. This is quite natural as they involve so many dif-ferent products and intan-gibles. The same applies to the consulting branch between which and construction the lines are blurred. Yet both these branches of industry rack up pretty impressive figures for a country of only 4.8m inhabi-

exports. According to the Asso-ciation of General Contractors of Finland (AGCF), involcing of foreign projects totalied \$500m in 1983. The Finnish Association of Consulting Firms (SKOL) reports that its mem-bers' export billings totalled The member companies of AGCF had about 55 foreign pro-jects under work in 1983, valued in total at about \$2bn. In January 1984, some 3,500 Finns were working on these projects, spread from Norilsk in the northern reaches of the Soviet Union to Miwara-Lindi in Tan-zania and Pha Rungk in Vist-

water supply, waste water creat-ment and housing.

these were relatively small contracts. A hollow core slab factory was completed by Partek Oy in Sincapore and an element factory is under construction then perhaps stabilise in 1985.

by Hartela in Kuala Lumpur The dominance of the Soviet Union in the export list is hardly surprising. It is a neighbouring country, and the Finns have even been able to use their own labour on the projects that are just across the eastern border, which has proved a boon in these times of high unemployment in thehome country.

Invoicing of the Soviet projects totalled FM 27.5bn in 1983. Total value of the projects in progress there was FM 6.7bn. The biggest is the Kostamus project, the building of a mining complex and com-plete town for 15,000 people in pretty impressive figures for a country of only 4.8m inhabitants.

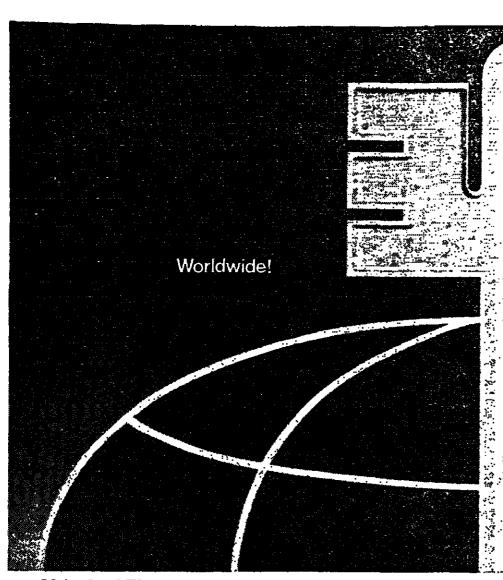
Perhaps the best term for this sector of foreign trade is project exports. According to the Association of General Contractors of Finland (AGCF), involcing of foreign projects totalied the complex project, a pulp and of foreign projects totalied the sufficient formular projects.

th south-eastern frontier, worth The newest contracts won in the Soviet Union are the two harbour projects in Tallinn, Estonia, by the Portal Group (a consortium of four companies) and EKE Engineers. Thes former will build the grain harbour, a contract valued at FM 480m, and the latter the meat and fruit terminal valued at FM 250m. These contracts at FM 250m. These contracts were won against very strong competition from a Swedish

as turnkey deliveries, account for a half of the current projects, commercial and public buildings for a quarter and the rest comprise civil engineering the initial discussion phase. The Invoicing for projects in the African countries totalled FM 770m in 1983: the contracts Roughly two-thirds of AGCP are valued at FM 2bn. Libya is

It has achieved this by applying its skills and special expertise in creating and marketing consumer brands that have become market leaders.

If you would like to know more about the special success



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### UNION BANK OF FINLAND

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# Pressures on price but supply assured

"THE MORE important exports management has been thorough. year, analysts say. Capacity

land's exports are generated by the forest industry. Perhaps goods (which make up 15 per the biggest outside force was cent of the export total) re-Sweden's 16 per cent devaluation in late 1982 which put Finnish producers at an immediate disadvantage on

Another longer-term influence is the emergence of new pro-ducing countries on the world market. Finland's share of the total market has declined by a quarter to 9 per cent over the

The volume of exports last year rose only 6.2 per cent. The total value of forest product exports advanced 11.3 per cent. Price pressure was intense on many Finnish products but better rates of products out better rates of capacity utilisation and effici-ency improvements yielded generally higher industry profits after a poor year in 1982.

Today's market outlook has several bright spots. Demand has picked up in the U.S. and (more slowly) in Wastern Europe. Forest products have now been included in tariff-free trade with the EEC. Much will now depend on the vigour of Western Europe's economic

Some 65 per cent of exports are directed at Europe, with the two biggest markets being the UK with 19 per cent and West Germany with 13 per cent Deliveries to the Soviet Union last year were 15 per cent of the total (down from 18 per cent in 1982), and 7.2 per cent went to Asian countries.

The priority for Finnish producers now is to hold down domestic inflation and bolster international competitiveness. A low central wage agreement for 1984 has been an important step in this direction.

Also important will be for the producers to achieve a moderate deal on timber prices — a major cost factor. Some 64 per cent of the country's forest resources are in private

The long-term supply picture is also positive. Finnish forest

vived after two poor years. Production advanced to 9.3m tonnes, but is still short of the peak 1980 levels. Officials say production will stabilise this year, but price increases of up to 9 per cent might be possible.

### Forest products

DAVID BROWN

Pulp products (13 per cent of exports) lost market shares or exports) lost market shares as a tanger of raining behind to Sweden last year, but total Sweden in pulp plant moderniproduction advanced slightly to sation, and industry analysts 7.1m tonnes. Market pulp deliveries were 1.9m tonnes, and producers see increases of some 1.9m tonnes, and producers see increases of some 1.9m tonnes, and 1.9m tonnes, and 1.9m tonnes, and 1.9m tonness see increases of some 1.9m tonness and 1.9m tonness as able to manage this kind of producers see increases of some
3 per cent in volume this year
and 13 per cent in prices as
the dollar level on the market
closes on the earlier peak of
\$540 a tonne.

Paper and heard production

Example 1.9m tonnes, and be wplant will be needed by the
end of the decade.

"Very few companies will be
able to manage this kind of
financing," Mr Salmi says.

"I think we'll begin to see
more mergers in the coming

S540 a tonne. more years."

Paper and board production (which now accounts for 53 per This Owing to high over-capacity in nationalisatic the newsprint sector, demand will probably remain poor this analysts say.

are to a nation's forest industry, The annual growth increment utilisation is running at only the more sensitive it will be has been successively increased 80 per cent. In other grades, 80 per cent. In other grades, the rate is far higher, and prothe more sensitive changes," says Mr from 55m cubic meters 20 years
Pantti Salmi, president of ago to about 64m cubic meters
Enso-Gutzeit, Finland's largest today. The product mix has a forest products company.

Nearly 38 per cent of Fin. valuable coniferous trees.

The share of num. and of

The share of pulp, and of upgraded paper and board products in the total product mix has advanced steadily over the past 25 years. Companies have moved to boost the level of conversion both at home and abroad, and a cycle of new investments in new machinery has given high levels of efficiency.

During the heavy investment

period between 1980-83, nine new paper machines increased total production capacity by some 1.2m tonnes in newsprint, coated and uncoated printing paper, and fine paper grades. Most of the current spending involves modernisation of exist-

ing machinery. However, there is a danger of falling behind

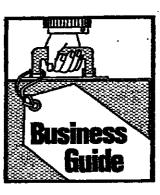
This trend towards higher cent of total exports) advanced value-added will be suppleast year to about 6.4m tonnes. mented by a growing inter-Owing to high over-capacity in nationalisation of marketing the newsprint sector, demand and conversion activities.



Management of Finland's extensive forests has been thorough with a raised percentage of the more



Harbourside scene in Heisinki



THE FINNISH Government offers no special incentives to foreign companies establish-ing in Finland. They are treated on the same basis as domestic companies, and this is generous for the develop-

is generous for the develop-ment areas which cover two-thirds of this thinly-populated country. There are some bareaucratic rules, but these are usually leulently applied. The real fact of the matter is that the Finns are now more interested in establish-ing abroad, most recently in the U.S. then encouraging the U.S., than encouraging foreign establish \entire nt in Finloreign establish ("of in Fin-land. Nevertheless, in certain sectors, especially project ex-perts, they are keenly interested in finding in the industrialised Western countries third country partners for construction, contracting and other projects in the developing countries.

Trade rather than establishment has become the name of the game. Apart from excep-

tional cases. Finland is not a bouncing off place for trade with the Soviet Union, the with the Soviet Union, the Flans have knough trouble balancing their own trade with their Eastern neighbour. But they do know the Soviet market well, and it is possible that merful links to Krocow Derte

em:if

Anney C

grief f

hproves

that userul links to a sew can be forged through a Fin-nish company.

One or two hints might be in order for foreign business-men visiting Finland:

Always make appointments in advance. Avoid two Foasts unless you are specifically invited to them — Midsummer Weekend (Friday to Sunday)

Always carry visiting cards, the Fluns do, and it is impor-tant because of their difficult

and Walpurgis (April 30 to

The business lunch hour is strictly 12.00-14.00, and dinner is a moveable feast. If it is offered, try the sau —this very hot steam bath smooths out many wrinkles and is remarkably refreshing.

USEFUL ADDRESSES: Confederation of Figurish in dustries. Etelaranta 10, Hel-sinkl. Tel: 18991. Finnish Foreign Trade Association. Arkadiankatu 4—6B, Helsinki. Tel: 69591.

British Embassy. Underen kata 16—29, Helsinki. 647922. Hotelikeskas (central booking office for hotel rooms). Heisingiu Matkallyhdys, Rautatiessums, Heisinki, Tel: 171133.

# Pace of diversification continues

### Sugar production

DAYID FISHLOCK

duction in Finland, Finnish a private company from six small sugar mills in 1918, found it had virtually saturated the domestic market by the 1960s.

chemical engineer who runs the company as president and chairman, then led a diversification programme seeking fresh markets for a company modest in world sugar terms.

and given it four main activi-ties today. All can be said to be biotechnologies aimed at the food and animal feed markets. The bedrock is still sugar, up to 250,000 tonnes a year, meeting 85-90 per cent of the home market. Its price is much. It grew out of the company's higher than world market understanding of sucroprices to protect the domestic sugar beet industry, accounting for half the feedstock. Price

regulations and supervised by sweeteners such as crystalline of investment," he adds. "Perthe government,

Acquisitions have built up claims to be market leader for the animal feeds business to a both.

Sweeteners such as crystalline of investment," he adds. "Pertheur animal feeds business to a both.

He believes a major reason

income. But with raw materials accounting for 80 per cent of sales, profit margins from feeds are narrow and domestic growth has been depressed by

mills in 1918, found it had virtually saturated the domestic market by the 1960s.

Mr Gustav von Hertzen, a strongly. It produces 15 per chemical engineer who runs the company as president and crisp bread, for instance, and two-thirds of the domestic market for breakfast cereals. But the innovative part of Mr This programme has doubled von Herizen's diversification the payroll of Finnish Sugar, programme lies in fine chemi-

cals, small at present but the showing strongest Its aim is "to find division growth, niches in the food-feedpharmaceutical areas where it can achieve a strong position in the world market."

chemistry, starting in the mid-1970s with a joint venture with Roche, called make new Hoffmann-La is controlled by statutory Xyrofin, to

graphic separation, piones by Firmsugar, and first used to separate fructose from glucuse. It employs a column of ion-exchange resin for which the various components of molasses have different affinities. Hence each will travel at a different rate, leaving the column banded into the various fractions.

Finnsugar developed this versatile laboratory technique into a semi-continuous indu trial process. on a scale as big as the 17-column separation system used by American Xyrofin in Illinois to produce 27.5m lb of crystalline fructose

The enzymes needed support commercial sucro-chemistry were a natural target for further diversification. What is more, enzymes afford

the right size of market for a small company looking for new markets with sales of \$10m-50m a year, says Mr von Hertzen.

the animal feeds business to a both.

He believes a major reason size similar to sugar, so that the two divisions account for Hertzen says, is the industrial to make a big commercial two-thirds of the company's application of liquid chromaton impact is that the innovations are company's application of liquid chromaton.

have come from research, which has lacked good ideas for tive food industry

"You can shoot yourself in the foot very easily." he says, recounting wryly Finesura's own troubles in getting Xylitol accepted by the fod industry.

For enzyme development and marketing, Finnsugar has set un another joint venture, in the U.S. with the food group Nahisco, and research based both in the U.S. and Finland,
America, he says, is a more
encouraging environment for
innovition; But the plan is to
keep enzyme production in
Finland.

There is a variety of enzymes from which to choose, and a need as he sees it to learn by trading at the same time as producing. arkets with sales of \$10m-50m year, says Mr von Hertzen.
"We can cope with this kind concludes Mr von Hertzen."

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